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THE CENTENARY OF SAVINGS BANKS 1910

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THE FIRST SAVINGS BANK

From *Dr. Duncan of Ruthwell.* By Mrs. Hall

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MEMORIAL

OF THE CELEBRATION OF

THE CENTENARY OF SAVINGS BANKS

HELD AT EDINBURGH

8th, 9th, and 10th June 1910

EDITED BY

ALEXANDER CARGILL

EDINBURGH

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PREFACE

IT has been generally admitted by those concerned that it was a *happy thought* which recognised in the Centenary of the establishment of Savings Banks an event of outstanding importance to all interested in the progress of thrift, and foresaw in it an opportunity, unique as it was rare, for furthering the cause of thrift not only in the United Kingdom but throughout the world.

It matters not now to whom the *happy thought*, or inspiration, originally occurred. The first time it found expression was at the Annual Meeting of the Trustee Savings Banks Association which was held at Chester in June 1908, when the proposal to celebrate the Centenary in 1910 was received with unanimous approval.

Since then the proposal gradually took form in the minds of those more especially concerned with the event, viz., the Association referred to and the Committee of Management of the Edinburgh Savings Bank, since from the outset the capital city was selected as being the most appropriate and convenient place in which to hold any Centenary celebrations that might be subsequently arranged.

The matter was left in this way until June 1909, when, at a meeting of the Association held in London, I had the honour of conveying the official invitation to the Association to hold the following year's meeting at Edinburgh, in view

of the Centenary. That invitation was cordially accepted, and the date provisionally determined upon. The actual date of the Centenary happened on 10th May, but that was thought to be generally inconvenient, and after consideration, Wednesday, Thursday, and Friday, 8th, 9th, and 10th June, were agreed upon instead, it being most desirable that a series of meetings should be held so as to do adequate justice to an occasion of such great interest and importance in the history of Savings Banks.

Furthermore, it was agreed that invitations to the Centenary celebrations should not be confined to representatives of Savings Banks in the United Kingdom, but extended to those of other countries. A very large number of these invitations was cordially accepted, and one of the most gratifying features of the celebrations was the presence of delegates from a number of the more important Savings Banks on the Continent, in America, and the Colonies, specially sent by their Banks to take part in the proceedings. Many of these delegates were accompanied by their Ladies, and the same remark applies to a very large number of the representatives of the Banks in the United Kingdom.

Invitations to be present and take part in the proceedings had also been sent to, and in most cases accepted by, a number of gentlemen distinguished in the public life of the Nation and well known for their great interest in the progress of thrift, among whom being His Grace the Archbishop of Canterbury, The Right Honourable the Earl of Rosebery, K.G. (an *ex officio* Manager of the Edinburgh Savings Bank), The Secretary for Scotland (Lord Pentland), Lord Balfour of Burleigh, Lord Dunedin, The Right Honourable the Lord Advocate (Alexander Ure, Esq., M.P.), The Postmaster-

General and Chief of the Post Office Savings Banks Department (Herbert Samuel, Esq., M.P.), and others. Unfortunately, the lamented death of His Majesty, King Edward the Seventh, about a month prior to the date of the celebrations, led to the withdrawal of these acceptances, and the Centenary programme had accordingly to undergo some modification.

The celebrations over, it has been thought proper that a Memorial volume should be published, containing as complete a record as possible of the various Centenary meetings, especially as a large measure of success attended them all. That record is now embodied in the following pages, to which the opportunity has been gladly taken to add Lord Rosebery's eloquent address on 'Thrift,' delivered at the Annual Meeting of the Edinburgh Savings Bank in December 1908.

For this Souvenir, special thanks are due to the Trustee Savings Banks Association who proposed it and, moreover, kindly agreed to defray the cost of its publication. Special thanks are likewise due to Mrs. Sophy Hall, London, great-granddaughter of the Rev. Dr. Duncan, the Founder of Savings Banks, for a most interesting and valuable sketch of his career, specially written by her for the Souvenir; and also to the Proprietors of the *Times* for kind permission to include the articles on 'A Century of National Thrift,' published by them on May 10th and 17th.

A most pleasing memory of the celebrations will always remain with those responsible for their success in respect of the very generous and effective co-operation to that end of the Statutory Inspection Committee of Trustee Savings Banks, and I gladly take this opportunity of expressing the sincere thanks of all concerned to Sir Albert Kaye Rollit,

the Chairman, and also to other members of that Committee, as well as to Mr. W. S. Cameron, its able Secretary, for invaluable services rendered by them in materially contributing to that success.

It only remains to be added that the preparation of this Memorial for publication, undertaken at the request of the Council of the Trustee Savings Banks Association, has been a true 'labour of love' to myself.

Forsăn et haec olim meminisse juvabit!

A. C.

EDINBURGH, *November* 1910.

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THE
SAVINGS BANKS CENTENARY

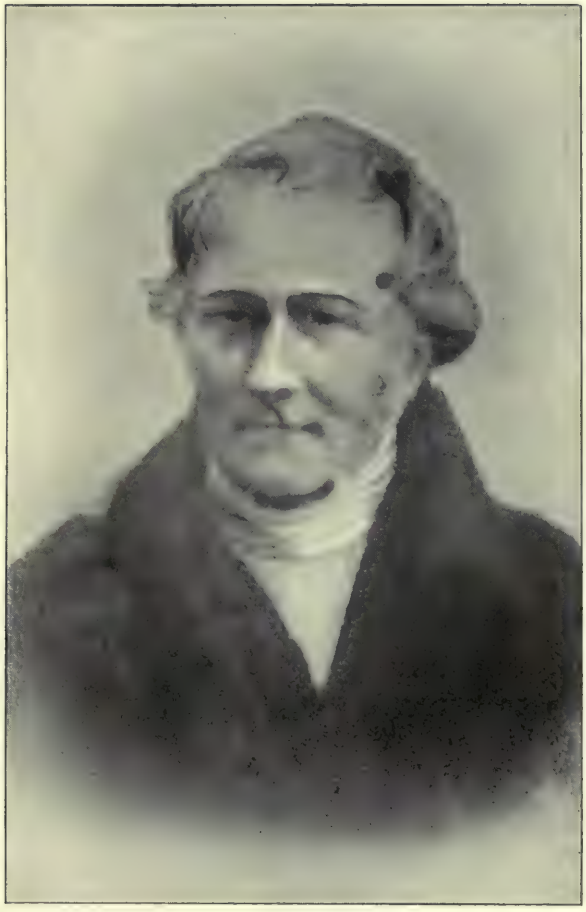
A Brief Account of the Life and Work of the Rev. HENRY DUNCAN, D.D., the Founder of Scottish Savings Banks.

HENRY DUNCAN, a man whose memory is justly entitled to the veneration of his countrymen, was born at the Manse at Lochrutton, Kirkcudbrightshire, in the year 1774. This son of a Scottish manse was descended on both sides of his house from a clerical ancestry, and during his lifetime could boast that he was connected with a hundred and fifty ministers of the Church of Scotland! Scottish by birth, and Scottish by tradition, he worked hard from his earliest years to better the conditions of the land of his birth, and was the instrument for doing a great and lasting service to mankind in instituting the system of Savings Banks. After passing as a young man through the shadows of mist and doubt that at one time overclouded his spiritual life, he became a firm believer and upholder of the Evangelical School of thought, and a friend and follower of the great Chalmers. He went hand and hand with him and other great men who renounced their homes, their comfort, the habits of a lifetime, to take part in that self-sacrificing movement—the Disruption of 1843.

He was educated at St. Andrews University, but his faculties, afterwards so successfully developed, were not so

conspicuous at this time as they were later in life. When he was sixteen years of age, an opening occurred in a mercantile house in Liverpool, and, as he had brothers already engaged in business there, it seemed an opportune time for taking the vacancy offered to him. He then commenced his business life—a life which, though uncongenial to him at the time, was the means of developing that interest in matters appertaining to finance which enabled him to place on a practical basis his future scheme for Savings Banks. He worked hard to make the business he had in hand a success, but the life of restraint, the office stool, and the long and irksome hours in a counting-house, soon became very distasteful to him—it was like caging a bird! After a short time he wrote to his father, the Rev. George Duncan, telling him that he would gladly give it up for a more congenial career, and he suggested the ministry as offering him more scope for reading and intellectual pursuits, adding that 'no amount of money could ever compensate him for the life he was forced to lead. . . . I feel I could return to my studies with tenfold ardour.' His biographer, and son, says, and not without some grief, that 'nothing spiritual seemed to be even mingled with his motives,' and that his choosing the ministry as a profession was in a great measure due to his love of intellectual pursuits. His father appears to have been very sensible regarding this matter, and wisely allowed him to choose his own life—the life that subsequently became so full and fruitful for the public good.

We next find him a student at Edinburgh University, and it was there that he first came under the influence of Dugald Stewart, the man who made such a mark on that generation of young and brilliant men who made Edinburgh famous—the man who was described by an illustrious pupil as of 'unimpeachable personal character, devotion to the science he taught, an exquisite taste, an imagination imbued with poetry and



THE REV. HENRY DUNCAN, D.D.
From *Dr. Duncan of Ruthwell.* By Mrs. HALL
(With kind permission of the Publishers, Messrs. Oliphant,
Anderson and Ferrier, Edinburgh)

oratory, liberality of opinions, and the loftiest morality.' Mr. Duncan joined the celebrated Speculative Society, and it was there that he acquired his first notions of debate and composition—it was there that he formed his lifelong friendship with Henry Brougham, who corresponded with him to the end of his life. This intellectual stimulus to the young student, who had suffered from the atmosphere of day-books and ledgers, was like water to a thirsty man. His love for culture of all kinds was gratified, and he loved the years spent in preparing for his ministry among these cultivated people in the beautiful picturesque town where the sights and sounds around him were so congenial. He also spent two years at Glasgow University, returning to Edinburgh later on for a final two years. He was afterwards licensed as a preacher by the Presbytery of Dumfries, and in 1799 was offered and accepted the living of Ruthwell parish in Dumfriesshire. He found the condition of his parishioners in many cases very distressing. A series of bad harvests had raised the price of food. Labour was scarce—provisions were scarcer—wages were low. He left no plan untried to ameliorate those conditions. His active philanthropic mind soon came to the rescue. He employed many of the men in ditching and draining, for he well knew that idleness soon engendered a distaste for work. He bought flax to be spun by the women of the village, he imported Indian corn from Liverpool, and sold it to the people in quantities graduated according to the size of the family, so that better conditions were soon the result. He very quickly got into close personal touch with his parishioners, he loved to visit among them, and his presence was known at every fireside.

At the time when the name of Bonaparte was on everybody's lips, when dread of invasion carried fear into every heart, he started the Ruthwell Volunteers, and *himself commanded them!* His address from the pulpit inspired

his congregation with his own enthusiasm. 'Know that the security of the country depends, not more upon the efforts of its fleets and armies, than upon the valour and public spirit of the people. I have felt it my happiness to live with you, and, should God and my country demand the sacrifice, it would be my glory to die with you.' The result of this sermon was that a fine body of men enrolled themselves as volunteers in the service of their country.

Mr. Duncan married in November 1804 Miss Agnes Craig. She also came of a clerical stock, and was the daughter of his predecessor, the Rev. John Craig, and was already known and loved in the parish. They worked together for the benefit of the parish, and she encouraged him in every good and earnest work and thought of his life. The poet Burns was a frequent visitor to her father's home, and she is the heroine of the pathetic little story of *Burns at Ruthwell Manse*, quoted by Lockhart in his 'Life' of the poet. It was a year later that his spiritual vision became clearer and, to use his own words, he 'passed from death unto life.' It was a chance meeting of the Society of Friends that led to his conversion, and from that day onward he worked, not only for the temporal—not only for the practical, but for the spiritual wellbeing of his people. He started in 1808 his first literary production, under the title of *The Scottish Cheap Repository*, for giving to the people sound and practical instruction and advice. Soon after this period he embarked on a great literary undertaking, namely, the *Dumfries and Galloway Courier*, which, under his management, rapidly reached a high position among Scottish newspapers—this paper, started in 1809, has just completed the hundredth year of its publication. He wrote for the *Edinburgh Encyclopædia* and the *Christian Instructor*, and his pen was now continually on the move. His garden was his great recreation—dawn would find him busily at work pruning his trees,

mowing his lawn, and coaxing and encouraging southern plants to adapt themselves to the northern climate, planting out in a sunny spot the more delicate ones, and watching them with the greatest interest.

But to return to his work,—the greatest and most abiding monument of Mr. Duncan's industry was the founding of Savings Banks. It was in 1810 that this practical philanthropist first put his scheme into motion. While studying the question of the poor laws—a subject in which he took the greatest interest—he came across a paper called *Tranquillity*. This pamphlet contained, among much that was unpractical and visionary, the germ of an idea for enabling the prudent poor to provide for themselves, thus effecting an abolition of the poor-rates. He set to work at once to develop the idea. His efforts met at first with little response, and had it not been that he had a passionate belief in the system himself, and the pertinacity to continue in spite of all opposition, it would have been difficult to carry the matter through ; but, to his lasting honour, he achieved his object single-handed. In 1810 the little parish savings bank opened its doors to receive the first depositors—many were timid at first to entrust their money to his keeping, but gradually their confidence was won, and the figures obtained were remarkable, for the money subscribed in the first year was £151, followed in the two succeeding years by £176 and £241 successively, and then with a sudden spurt of life in 1814, they rose to £922. His work was not completed with the opening of the little bank, for he not only became its actuary, but it brought him a world-wide correspondence, and with a view to making his scheme more widely known among nations, he published a pamphlet in 1814 which went through several editions in rapid succession, and his exertions, according to Lewin, the historian of Savings Banks, ' entitled him to the foremost place in any history of Savings Banks.' There

is no doubt that he organised the first self-sustaining bank, and so arranged it as to make the plan suitable for the world at large, and not only for the locality and conditions in his own village. The little cottage still standing in Ruthwell village to-day was the parent institution—it was from this humble little building that the now world-wide movement sprang.[1] 'The father of Savings Banks,' as he was called in the House of Commons in his day, now turned his attention to placing these establishments under Government protection, and in this he was met with a torrent of opposition —many important Savings Banks (including Edinburgh !) being against State interference.

Mr. Rose, so well known in his day as a keen observer and student of the poor laws, anticipated him in this, but for reasons too technical to go into in this article, Mr. Duncan turned his face against the same Bill becoming law for Scotland. There were reasons in favour of Government interference in England which were not applicable to Scotland. He was asked to draw out a draft of a Bill suitable for Scotland, which he did and, largely owing to his exertions, the Bill of 1819 became law. At the invitation of Mr. Douglas, M.P., Mr. Duncan undertook a visit to London to lend the aid of his powerful personality in favour of the Bill, and he says in writing to a friend, 'After a tough and at one time doubtful battle, I have at last carried the day triumphantly.' In common with the great Dr. Chalmers, he rebelled against the Poor Laws being introduced into Scotland. Certainly the statistics of parishes where poor-rates had been introduced showed some depressing figures ; in one English parish the poor-rate had risen in thirty years from £18 to £367, yet rather more than one in three of the inhabitants were paupers ! In the parish of Ruthwell, with a population of 1100, only £25 was available yearly for the poor, and although

[1] See Frontispiece.

MRS. SOPHY HALL.
AUTHORESS OF 'DR. DUNCAN OF RUTHWELL'

(Photo by H. Walter Barnett, London)

it sounds to our modern ideas quite inadequate, very good results had been obtained. Dr. Chalmers, speaking of a parish in Roxburghshire, where the poor-rates had been introduced from England, says, ' I saw as much poverty and more depravity of character than I hope I shall ever witness in the northern climes—the same population was supported at about six times a greater rate than it is in this neighbourhood.' The only system that these stout-hearted philanthropists believed in was the system of building up character. ' If you confine yourself to the relief of poverty, you do little. Dry up, if possible, the springs of poverty, for every attempt to stem the running stream has signally failed.' Savings Banks increased and multiplied under Government protection, in spite of the active opposition of Cobbett and the *Times* newspaper, which was also an enemy of the Government protection of Savings Banks. Cobbett, in a bitter article, says, ' The parsons appear to be the main tools in this coaxing scheme.'

In this short article it is impossible to give more than an outline of the chief events of this long and useful life—years that were filled with such projects as the Roman Catholic Relief Bill, the Emancipation of Slaves, the Better Education of the Working Classes. Other projects were his discovery of the footprints of animals in the strata of Old Red Sandstone, according to Dr. Buckland, the geologist, ' one of the most important ever made in geology '; the newspaper which he founded, or rather I should say newspapers—for he also started the *Dumfries Standard*,—besides his literary efforts and his manifold schemes for the education of the working classes, his work in connection with foreign missions, and the influence he had over men like Carlyle, Irving, Hogg, and Leyden, and the great missionary and reformer, Hislop. Dr. George Smith says, in his Life of Hislop, ' the man who influenced him (Hislop) most in these formative years was Duncan of Ruthwell,' and

he also alludes to him as 'this ornament of Scotland.' But all these things and many others sink into insignificance compared to the crowning act of self-sacrifice and devotion that made him and his two sons and his son-in-law give up their livings to face privation and loss of position rather than yield unto Cæsar the things that belonged to God. Should the Church that he belonged to be compelled to ask the State for leave to pass measures involving her spiritual state, or be free to obey the only head they recognised—the Divine Head?—no, a thousand times no; better, he thought, to dwell upon the hillside than that. He died a member of the Free Church of Scotland; he was buried among his people in the churchyard at Ruthwell, and his body was carried to the grave by devoted parishioners. He died while ministering to his old friends, with a prayer upon his lips. After all the work he accomplished, his humility was such that, in a letter to Hislop in 1842, quoted in Dr. Smith's Life, he says, 'It is sad to have been labouring nearly half a century in the vineyard, and to have produced so little fruit.'

SOPHY HALL

43 BRYANSTON STREET,
LONDON, W.

A CENTURY OF NATIONAL THRIFT[1]

TO-DAY (10th May 1910) there occurs an event of more than usual interest in the economic history of Scotland, namely, the Centenary of the establishment in that country of the first (so-called) Savings Bank, an institution which, as subsequently developed and popularised, has been of the greatest possible advantage to generations of the Scottish people. This Centenary is to be celebrated in the capital city on June 8, 9, and 10, under the auspices of the Edinburgh Savings Bank and the Trustee Savings Banks Association, and in a manner befitting the importance of the occasion. The present is, therefore, a good opportunity for reviewing the progress of our National Savings Banks, known throughout the United Kingdom as, respectively, the Trustee and Post Office Systems (both being under the ægis of the State) from their inception till now.

ORIGIN OF SAVINGS BANKS

For at least a decade before 1810 Savings Banks, previously unknown in the United Kingdom—though in active operation on the Continent of Europe—until introduced at the close of the eighteenth and the beginning of the nineteenth century by Mrs. Priscilla Wakefield at Tottenham and the Rev. Joseph Smith at Wendover (in both cases as unpretentious, experimental agencies for the bettering of the condition of the labouring classes among whom the promoters

[1] Reprinted from *The Times* of 10th and 17th May, with the kind permission of the Proprietors.

lived), had received, here and there, in certain places in England and Ireland, an encouraging amount of favour with the classes for whose special benefit they were devised. And as this new form of thrift, with all its possibilities for good, began to bear fruit to some purpose, there were not wanting, in Scotland as elsewhere in England and Ireland, those wise, far-seeing, and good-hearted persons who, like Mrs. Wakefield and the Rev. Joseph Smith, perceived in it a desirable object-lesson for the exercise of their practical benevolence in a novel and happy form.

Notably and honourably connected with this new movement, of which he may be said to have been the creator, at least in Scotland, the name of the Rev. Dr. Henry Duncan, parish minister of Ruthwell, near Dumfries, will ever be gratefully remembered by all interested in the welfare and progress of the industrial classes of the people, in so far as that progress can be furthered by the agency of Savings Banks. For to Dr. Duncan belongs the great merit of having been the first person to introduce the thrift-plant into Scottish soil, and to demonstrate that it needed only the necessary spadework and careful tending to make it grow successfully, as in England and elsewhere. It is to Dr. Duncan also, associated with Mr. William Oliphant, that the credit belongs of having founded in 1808 the *Cheap Repository*—the pioneer of popular monthly magazines—of which he was the first editor. At Ruthwell, therefore, in May 1810, the first parochial Bank for Savings, as it was then called, was opened by Dr. Duncan; and, ere many months had passed, other places in Scotland, hearing of the success of the new experiment, began to emulate the Ruthwell prototype, so that in a few years Savings Banks became so numerous and successful throughout the United Kingdom that the attention of the Government was directed to them with a view to their being strengthened and safeguarded

GEORGE M. WOOD, Esq., S.S.C., J.P.
Chairman, Committee of Management
Edinburgh Savings Bank
and
Member of the Trustee Savings Banks
Statutory Inspection Committee
London

(Photo by Swan Watson, Edinburgh)

effectively by legislation. In all probability it was the Scottish impetus to the movement initiated by Dr. Duncan, of Ruthwell, aided by other able coadjutors in Parliament and elsewhere, that paved the way for the first Savings Banks Act, which dates from 1817. It is to the Church, therefore, that the honour belongs of having been the instrument that introduced these beneficent institutions, in England and Scotland at all events.

A DOMINANT FEATURE

Almost from the outset of their history, and indeed up to the present time, the outstanding feature of these Savings Banks is to be found in the fact that their management has been under the control and supervision of trustees ; that is to say, bodies of public-spirited gentlemen of local influence and distinction who, gratuitously in every case, act as patrons and, as such, supervise the affairs of the Banks in their respective boroughs, towns, and cities. A happier outlet for unostentatious but effective public spirit, in short, for practical philanthropy, was surely never devised in this or any other country. At the present day every such Savings Bank in the United Kingdom certified under the Act of 1863, has its Board of Trustees and Managers, and it is not too much to say that the great mass of depositors, numbering something like 1,800,000, appreciate the ungrudging services in the cause of thrift which these gentlemen render; indeed, it is this distinctive feature which has done so much to maintain the present position of Trustee Savings Banks as an all-important factor in the encouragement of thrift, making, in conjunction, of course, with the Post Office Savings Banks, for the welfare of the masses of the people and, in substantial measure, for the stability of the State. As a century-old medium for the creation of capital by the means of small savings, and, moreover, in their being

personally supervised and controlled in the way indicated, besides having the direct guarantee of the State for every pound of their funds lodged with the National Debt Commissioners, the Trustee Savings Banks of the United Kingdom enjoy a measure of success which—in proportion to the number of banks in operation—equals that of any similar agency of the kind in this or any other country. *For it is certain that, while the capital created by means of Savings Banks is probably incalculable in amount, it has added enormously to the wealth of the nation and to the well-being of the people.*

EARLY YEARS

At the end of the first year (1810-11), when the little rural village bank of Ruthwell was started by Dr. Duncan, the sum of £151 was collected from depositors by its means, and was reckoned as not at all a bad beginning in the circumstances. Little did the founder dream that his grain of mustard-seed, planted laboriously, as we know, yet not without hope, was to multiply in such measure that, at the end of a century, it has borne such a harvest—in such ranks and rows of figures—as not even the wildest imagination of his day and generation could have dared to conceive!

So rapidly did the movement spread, that an effort was made in 1814 to establish the Banks on a truly national scale and on an improved and common basis, since, so far, the primitive Wendover type was largely the model for new Banks opening in England, and the simple Ruthwell type for those in Scotland. In Ireland, to which country also the movement had extended, features common to both types had been introduced and, almost from the first, proved to be singularly successful. Here, too, as elsewhere, the Wendover feature attracted many depositors, especially from the agricultural classes, to whom the promoters promised

ALEXANDER CARGILL, Esq., J.P.
Actuary
Edinburgh Savings Bank

(Photo by O. Davis, Edinburgh)

a 'bonus,' on the stipulation that their savings during the year were left untouched till the following Christmas.

At length, for the first time in their history, the Banks, of which there were now seventy-eight doing business, were brought under the cognisance of the Legislature, and the first Acts of Parliament dealing with them were passed, namely, Acts 57 Geo. III. caps. 105, 130; on July 11 and 12, 1817—Ireland having taken precedence of England by one day (Scotland did not obtain its Act till July 2, 1819, two years later). At the end of the first year, 1818, close on a quarter of a million sterling had been invested with the National Debt Commissioners by the English and Irish Banks, and when the Scottish Banks began to contribute their quota of savings the success of the system was so assured that at the end of ten years' operations (1827) no less than £15,000,000 was invested with the Commissioners, and at the close of another decade (1837) close on £20,000,000. It has to be kept in mind, however, that this latter period was one in which the Banks had an uphill fight to maintain the position they had so far secured. Withdrawals from the Banks had at certain times, from 1825 to 1832, somewhat checked the rapid progress they made at first. For example, in the year ended November 20, 1826, 'large withdrawals took place, and were due to great commercial distress and general panic in financial circles. The withdrawals in the year 1829 and subsequent years may have been due to the passing of the Act Geo. IV. cap. 92, by which the rate of interest was reduced from £4, 11s. 3d. (or 3d. per cent. per day) to £3, 16s. 0½d. (or 2½d. per cent. per day); but against this consideration must be put the fact that the further reduction of interest in 1844 to £3, 5s. led to no exceptional withdrawals by depositors, nor has any disturbance been occasioned by the further reduction to £3 per cent. in 1880, and to 2¾ per cent. in 1888' (*History of the Funded Debt*, p. 263). As a

matter of fact, the question of the rate of interest payable to depositors in Savings Banks has almost always been of secondary importance — the chief desiderata being the guaranteed security of the State for all funds deposited with the National Debt Commissioners, and the ready service of business which the Banks render to their depositors at all times, more especially in times of financial trouble and industrial distress, such as that just referred to. It is then that the great value of the Banks becomes prominently apparent, alike to the individual, the community, and the nation, and, when these adverse influences pass, the lesson of thrift once again finds many ready learners at the Savings Banks' counters.

LEGISLATION

From 1817, when, as stated, the first Savings Bank Act was placed on the Statute book, up to the present day, the Banks have, it should be stated, always received a fair measure of consideration from the Legislature, many prominent statesmen and Parliamentarians having in their day and generation assisted in their progress. In the earlier and formative years of the life of the Trustee System, as it came to be called, much required to be done in securing for it an effective control and, especially, in ensuring that the investment of Savings Bank funds, which, almost from the outset, assumed considerable dimensions in respect of amount, was made to the best possible advantage for all concerned. The very high rates of interest which the State saw fit at first to grant to the banks—largely as a means of popularising them with the masses—had, of course, to be reduced by Acts of Parliament from time to time as their funds increased. Indeed, the rate of increase was such that by the year 1840 the number of depositors was over 800,000, and the amount of funds approximated to £23,000,000 for the United Kingdom.

JAMES THIN, Esq., J.P.
Member of Committee of Management
Edinburgh Savings Bank

(*From Portrait by Drummond Young*)

DAVID DICKSON, Esq., J.P.
Member of Committee of Management
Edinburgh Savings Bank

(*Photo by W. Crooke, Edinburgh*)

Many of the Banks in the larger centres of population, especially in Scotland, having in 1836 been established and brought into the line of efficiency with those previously in existence, important Parliamentary measures affecting, for example, the rates of interest, the limits of deposits, the purchase of Government annuities and insurances for depositors, more effective control of Banks as to their working, the responsibility of trustees, the security of the State for the funds of the Banks, etc., became from time to time a necessity; in short, the improvement of the Trustee System in all respects has never ceased to engage the attention of numerous Parliaments, and to receive the care of many of their most famous and influential members. Among the more prominent Parliamentarians whose names will always be associated with the earlier history of Savings Banks, the following may be specially mentioned, though there is no need here to enumerate the particular measures that secured their advocacy:—The Right Hon. Geo. Rose, Treasurer of the Navy; Chancellor of the Exchequer Vansittart; Mr. Wilberforce; Mr. (afterwards Lord) Brougham—all of whom took a deep interest in the first or creating Savings Bank Acts of Parliament ; Mr. Joseph Hume ; Chancellor of the Exchequer Goulbourn ; Lord Althorp ; Mr. Pease ; Chancellor of the Exchequer Spring Rice ; Mr. Cobbett ; Mr. Bright ; and later, in an especial degree, Mr. W. E. Gladstone. For it was in 1861, when Mr. Gladstone was Chancellor of the Exchequer under Lord Derby's Administration, that he introduced a new era in the history of Savings Banks by the creation of the Post Office Saving Banks System, which, from 1861 till now, has, together with the older system, done so much to popularise thrift among the masses of the people.

Altogether, the legislation which the Banks have received has been such as to establish them more and more absolutely as a national institution meeting a great necessity of the

age; and, to show how well devised was the original scheme for establishment in 1817, it need only be mentioned that 'The preamble (first section) of these two original Acts is preserved almost unaltered in the preamble and the second section of the 26 & 27 Vict. cap. 87 (the principal Act now in force relating to Savings Banks), thus showing the practical continuity of legislation upon the subject. In all there have been thirty Savings Banks statutes in addition to provisions contained in Acts for other purposes. Part of the existing law is now also embodied in regulations made by the Treasury, with the consent of the National Debt Commissioners, under powers contained in the later Acts' (*Secretary of the Committee of Inspection of Trustee Savings Banks*).

PROGRESS OF TRUSTEE SAVINGS BANKS UP TO 1861

It is perhaps unfortunate that complete statistics relating to the earlier years of Trustee Banks and their transactions are not available. But soon after the Banks came under the control of the Legislature in 1817, annual and other returns were, of a necessity, required by the National Debt Commissioners, the department to which they have been subject ever since. From 1829, however, figures showing their periodical transactions have been published by authority of Parliament, and these have been frequently utilised by publicists and others for various purposes. A very interesting and comprehensive summary of these transactions was printed some years ago (1898) in the official *History of the Earlier Years of the Funded Debt*, presented to both Houses of Parliament by command of Her Majesty Queen Victoria, and from that compilation the following Table, showing the progress of Trustee Banks for the period above indicated, has been taken:—

JOHN HARRISON, Esq., J.P.
(Ex-Treasurer of the City of Edinburgh)
Member of Committee of Management
Edinburgh Savings Bank
(*Photo by R. S. Webster, Edinburgh*)

CHARLES E. S. CHAMBERS, Esq.
Member of Committee of Management
Edinburgh Savings Bank
(*Photo by Elliott & Fry*)

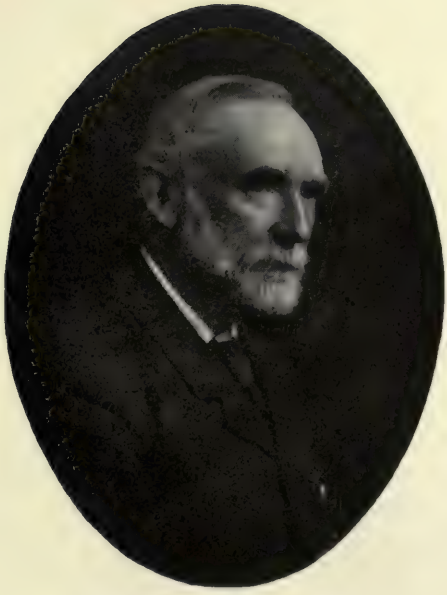
Year.	No. of Banks.	No. of Accounts.	Amount of Funds.
1819	359	Unknown	£2,813,023
1829	476	409,714	14,791,495
1839	541	748,393	22,486,553
1849	579	1,087,354	28,699,550
1859	625	1,503,916	38,726,676
1861	645	1,643,822	41,546,475

From these figures, therefore, it will be seen that very steady and remarkable progress was made by the Trustee Banks in the first half-century of their history, at all events. But, though in 1861 the number of these Banks reached the maximum in their history—and thereafter continually diminished until, in more recent years, it has again inclined to extend—the number of depositors and the amount of their invested funds have both continued very sensibly to increase, notwithstanding the competition of the Post Office Banks from 1861 up to the present time. With, however, such a formidable rival as the Post Office system now in the field, with its fresh machinery made adaptable for the very smallest and most outlying places throughout the United Kingdom, it was not to be wondered that the older system of Savings Banks began to halt a little on the way of progress. Not that the new Banks obtained any undue legislative advantages over the old ; for Mr. Gladstone was fully alive to, and always grateful for, the obvious benefits the latter conferred in the great centres of population where they had so long been established, and he was, moreover, too conscientious a statesman to do them any injustice. But after 1861 it soon became apparent that in the districts of the United Kingdom which had till then lacked thrift agencies—districts which, in extent of area and population, surpassed those where these agencies were at work—the newly-created system

would quickly find lodgment, and, with the thrift-idea well understood, establish itself in a way hitherto unknown in the experience of the nation.

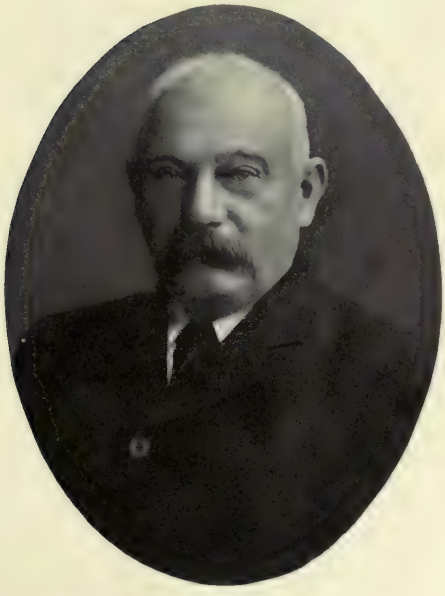
Indeed, little did the promoters of the Post Office Savings Bank System imagine that, in less than thirty years, or in just about a generation, it would assume such colossal dimensions as not only to outgrow and overshadow in sheer bulk its older rival, but to become one of the most important departments of the great machinery of the State. Few movements initiated by private and, so to speak, irresponsible persons have ever been fraught with so much material good for the general public as the Post Office Savings Bank founded in 1861, half a century after its prototype. The honour of initiating it belongs to one who was till then unknown—Mr. Charles Sikes, a gentleman resident in Huddersfield, and a member of the local banking company. He was a philanthropist in the best sense, and well deserved the knighthood afterwards conferred upon him. In a letter addressed to Mr. Gladstone, Mr. Sikes brought under that statesman's consideration the outlines of a plan he had devised, showing how, without much expense to the country, the advantages of Savings Banks might be further extended and popularised.

'It will be scarcely credited,' wrote Mr. Sikes, 'that at the present time (1859) there are in the United Kingdom fifteen counties in which there are no Savings Banks [of course, he meant Savings Banks under the Government control]; and although difficult to ascertain the exact number of towns, there are probably one hundred with a population varying from 10,000 to 30,000 each, and nearly two thousand other towns or places, with populations ranging between 1000 and 10,000, all without Savings Banks! Compared with ordinary Banks, there are nearly five hundred towns or places in the United Kingdom in each of which there are one or



WILLIAM COWAN, Esq.
Member of Committee of Management
Edinburgh Savings Bank

(*Photo by W. Crooke, Edinburgh*)



ANDREW A. ROSE, Esq.
Member of Committee of Management
Edinburgh Savings Bank

(*Photo by Balmain, Edinburgh*)

more private or joint-stock Banks; but in none of them does there exist a single Savings Bank to aid in promoting those habits of forethought and thrift so essential to the progress and prosperity of the people. Concurrently with this absence of Savings Banks, the aggregate income of the working classes has, through the general prosperity, gone on increasing until it has now reached a magnitude beyond all former experience.'

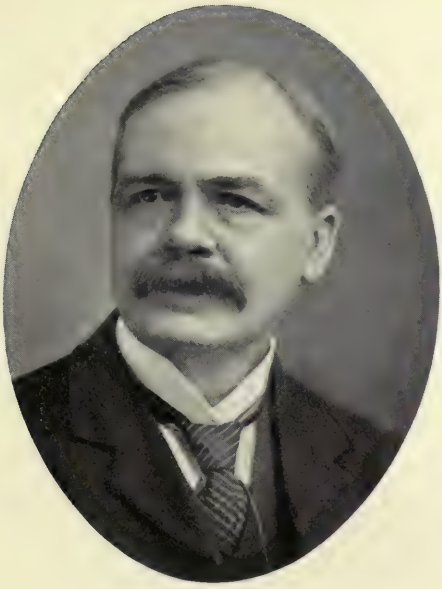
Here, then, was a very strong reason why something should be done on a larger and more comprehensive scale than had been yet attempted to save a portion of the now greatly augmented income of the working classes. That income was estimated at no less than £170,000,000 sterling per annum, and yet the aggregate deposits of all the existing Trustee Savings Banks in the United Kingdom were under £8,000,000 a year.

But Mr. Sikes not only proceeded to show *why* the plan he advocated should be adopted, but *how* it could be carried on successfully, and that without much expense to the State. Moreover, his scheme for establishing Savings Banks through the powerful medium of the Post Office also involved a plan for introducing the Money Order System, the benefits of which have ever since been appreciated by the public. It need hardly be said that its wisdom, its necessity, its simplicity, and its cheapness at once commended the scheme in its duality to the favourable consideration of the Government of the day, who, with admirable zeal, forthwith set about putting it into operation. In exactly two years' time from the date of Mr. Sikes's appeal to Mr. Gladstone, Post Office Savings Banks became an accomplished fact. In their main essentials, the new Banks differed but slightly from those under the older system. Their limits of deposits were precisely the same ; the rates of interest allowable to depositors varied but little, and their general rules and by-

laws were almost identical with those of the Trustee Banks. The great underlying principle of both was to afford to the humbler classes of the people a ready-to-hand means of saving their earnings which was at once simple, cheap, and afforded sufficient margin of profit to enable them to pay their way. From their commencement in 1861, the success of the Post Office Savings Banks has been very remarkable, as the subjoined Table will show:—

Year To December.	No. of Offices.	No. of Depositors.	Amount at Credit.
1862	2,535	178,495	£1,698,221
1871	4,335	1,303,492	17,025,004
1881	6,513	2,607,612	36,194,495
1891	10,063	5,118,395	71,608,002
1892	10,519	5,452,316	75,853,079
1893	11,018	5,748,239	80,597,641
1894	11,323	6,108,763	89,266,066
1895	11,518	6,453,597	97,868,975
1896	11,867	6,802,035	108,098,641
1897	12,212	7,239,761	115,896,783
1898	12,582	7,630,502	123,144,099
1899	12,995	8,046,680	130,118,605
1900	13,341	8,439,983	135,549,645
1901	13,672	8,787,675	140,392,916
1902	14,048	9,133,161	144,605,088
1903	14,362	9,403,852	146,135,147
1904	14,614	9,673,717	148,339,354
1905	14,862	9,963,049	152,111,140
1906	15,074	10,332,784	155,996,446
1907	15,213	10,692,555	157,500,077
1908	15,257	11,018,251	160,648,214

In addition to the foregoing sum of £160,648,214 at the credit of over 11,018,251 depositors, there is to be added no less an amount than £20,628,985 invested in Government Stock for 153,262 of those depositors, so that there is at the present time over £184,000,000 sterling at the credit of Post Office depositors. Had Sir Charles Sikes been alive to-day,



JOSEPH GORDON STUART, Esq., LL.D.
Writer to the Signet
Member of Committee of Management
Edinburgh Savings Bank
(*Photo by Marshall Wane, Edinburgh*

ROBERT SOMERVILLE, Esq., J.P.
Member of Committee of Management
Edinburgh Savings Bank
(*Photo by Marshall Wane, Edinburgh*)

he certainly would not have been surprised at such magnificent results obtained from the system which owes so much to his foresight; for all along he believed not only in the excellence of the machinery of the Post Office to suit the wants of the masses of the people, but he had likewise a strong faith in the growing desire of those masses in the direction of habits of thrift and providence, which are so substantially evident in the figures just quoted. Equally with Duncan of Ruthwell, therefore, the name of Sikes of Huddersfield will ever be honourably remembered by all interested in the progress of national thrift. Certainly the former was the pioneer of the movement, and that at a time when ways and means were vastly different from what they were fifty years later, and when the thrift-idea had, practically, to be created and take shape in the minds and habits of the people; and for this signal service his memory will no doubt be acclaimed at the forthcoming celebrations in Edinburgh as it deserves to be.

With such a strong rival growing up on every side, and reaching to places which it had no means of exploiting, it is no wonder that the Trustee System, soon after the Post Office Banks were established, seemed to reach its high-water mark of service to the community. In 1861 there were exactly 645 of these older Banks in existence, with deposits amounting to £41,546,645. Twenty-seven years afterwards, while their deposits had increased by something like five or six millions sterling, their number had been reduced by about one-half. This peculiarity is explained by the fact that, while a very large number of the smaller Trustee Banks had closed their doors or transferred their business over to the Post Office, the larger and stronger Banks in the great centres more than maintained their own. For many reasons these city or central Banks are better adapted for the public than the Post Office Banks. In proof of this, reference need only be made to the Glasgow Savings Bank, which has about

250,000 depositors with over £11,000,000 at their credit—a sum more than equal to what the Post Office Savings Banks owe to their depositors in Scotland and Ireland together! It may be interesting to give here a list of the ten leading Trustee Savings Banks in the United Kingdom at the present date, showing their relative positions according to funds invested with the National Debt Commissioners, in addition to which, however, most of the Banks have large additional funds belonging to their Special Investment Departments.

Name of Bank.	Ordinary Department. Funds at Nov. 20, 1908.
Glasgow Savings Bank,	£7,865,183 18 11
Liverpool Savings Bank,	3,497,766 19 10
Manchester Savings Bank,	3,270,613 3 6
Edinburgh Savings Bank,	3,261,810 1 2
Dundee Savings Bank,	1,614,737 4 8
Hull Savings Bank,	1,502,104 14 11
Aberdeen Savings Bank,	1,278,634 16 1
Sheffield Savings Bank,	1,235,336 18 1
Newcastle Savings Bank,	1,187,649 16 9
Preston Savings Bank,	1,065,554 17 10

RECENT LEGISLATION

The year 1891 was a very important one in the history of the Trustee System, for it was in the course of that year that the Trustee Savings Banks Inspection Committee was called into existence by an Act of Parliament (54 & 55 Vict. cap. 21). Under the supervision of inspectors appointed by this Committee—which of course works in conjunction with the National Debt Commissioners—all the Trustee Savings Banks in the United Kingdom, numbering at present 222, are, once a year at least, subjected to a searching audit, with the result that they now enjoy more public confidence than they ever did during their long history. At all events their total deposits at the 20th November last exceeded £54,000,000, the highest amount yet reached. In addition to this sum, however, there is a further amount of £9,500,000

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Member of Committee of Management
Edinburgh Savings Bank

(Photo by Miles & Key, London)

ROBERT CROSS, Esq.
Member of Committee of Management
Edinburgh Savings Bank

(Photo by Barclay Bros., Edinburgh)

in the Special Investment Department of a number of the larger Banks, belonging for the most part to those depositors whose accounts in the ordinary department had reached the maximum limit of deposit of £200; and of those depositors there are no fewer than 72,960.

One of the most important Savings Bank measures passed within recent years (1893) was that increasing the limit of deposits and investment in Government Stock; while the Act of 1904 (4 Edw. VII. cap. 8), the latest Act of Parliament affecting Savings Banks, provided for, among other matters, payment of expenses for Penny Banks; superannuation of officers; amalgamation of Banks; widening of the scope of the Special Investment Departments; discontinuation of acknowledgments of deposits under £1 (applicable to the Post Office Savings Banks), and the provision for the transfer of deposits from or to Colonial or foreign Savings Banks.

In these two British Savings Bank systems, therefore, there are at the present day close on thirteen millions of individual depositors, or about one in every three of the entire population of the United Kingdom, owning something like £220,000,000 sterling, a sum approximating to about £17 per head. Of course, the total results of a century of thrift —for Savings Banks have only helped to contribute thereto— would show much larger figures than these, were it possible to include here the operations of the friendly societies, co-operative associations, and similar provident agencies that have been working side by side with the Savings Banks for many years past. But, if we take the operations of the Savings Banks alone, from their small beginnings just a century ago up to the present time, it is impossible to deny that, with the great mass of the people, the advantages of thrift are becoming every year more and more appreciated.

ALEXANDER CARGILL.

FIRST DAY'S PROCEEDINGS

WEDNESDAY, 8TH JUNE 1910

RECEPTION BY THE CITY OF EDINBURGH

THE Centenary celebrations commenced on Wednesday evening, June 8th, with a Reception given to the distinguished delegates by the Right Honourable the Lord Provost, Magistrates, and Council of the city of Edinburgh, in the Synod Hall, Castle Terrace. The hall for the occasion was tastefully decorated, the area being covered with crimson cloth, and furnished as a drawing-room. The platform was prettily decorated with flowering plants and shrubs, and tall palms and silver maples were placed in different parts of the hall. The gallery doors were draped in blue and gold, and the doors under the galleries were screened by light curtains. Altogether the company numbered about six hundred ladies and gentlemen.

The Lord Provost and members of the Town Council were preceded into the reception-room at eight o'clock by the city halberdiers in quaint costumes, and with sword and mace draped in black, in respect of the recent lamented death of His Majesty King Edward the Seventh. The Lord Provost was attired in court dress, over which he wore his municipal robes and chains of office. He was accompanied by Mrs. Brown, who was in black, and carried a bouquet of carnations and lily of the valley, in a setting of green. The Lord Provost was supported by a large number of the Bailies and Town Councillors in their robes of office, the Town-Clerk (Mr. Thomas Hunter, W.S.); Mr. G. M. Wood, S.S.C., J.P., Chairman of the Edinburgh Savings Bank; and Mr. Alexander Cargill, Actuary of the Savings Bank, who officiated as Hon. Secretary of the Celebrations Committee. The Reception was then proceeded with, Mr. James Russell, Chief

THE RIGHT HONOURABLE
THE LORD PROVOST OF EDINBURGH
(W. S. BROWN, Esq.)

(*Photo by Marshall Wane, Edinburgh*)

City Officer, announcing the guests as they were presented to his Lordship.

After the Reception the LORD PROVOST, in welcoming the large company, said: Ladies and Gentlemen, in the name of my colleagues I desire first of all to extend to one and all a very hearty welcome, and to say how glad the Corporation of Edinburgh is to see so many distinguished people with us from all parts of the world. I hope that, on this occasion, Edinburgh will put its best foot forward, as the saying is. We all hope, at any rate, that the weather will be favourable, and that every one will have a good time. We are all deeply interested in the Edinburgh Savings Bank. I cannot tell you exactly, but I should imagine that during the whole course of its existence there has been a very close connection between the Corporation and the Edinburgh Savings Bank. We believe it is doing a great work, and we rejoice to know that in Edinburgh the Directors have realised how desirable it is to have a branch of the bank in every one of our densely populated districts. I shall not anticipate what you will hear during the Conference, but there is no denying the fact that in Edinburgh alone we have a Savings Bank depositor in every third or fourth person in the whole community. That says a very great deal. We hope that you will have an enjoyable evening, and that to-night's function will give a great impetus to what is undoubtedly much required in the country—a strong desire to save, especially amongst the depositors in the Savings Bank, whose weekly earnings are not very high. It is because the Corporation of this city takes a great interest in such subjects that we welcome you very heartily, and hope you will have a pleasant evening. (*Applause.*)

Mr. GEORGE M. WOOD, Chairman of the Edinburgh Savings Bank, in reply said: My Lord Provost, as Chairman of the Edinburgh Savings Bank, I desire, on behalf of those attending the centenary celebrations of the Bank, to express

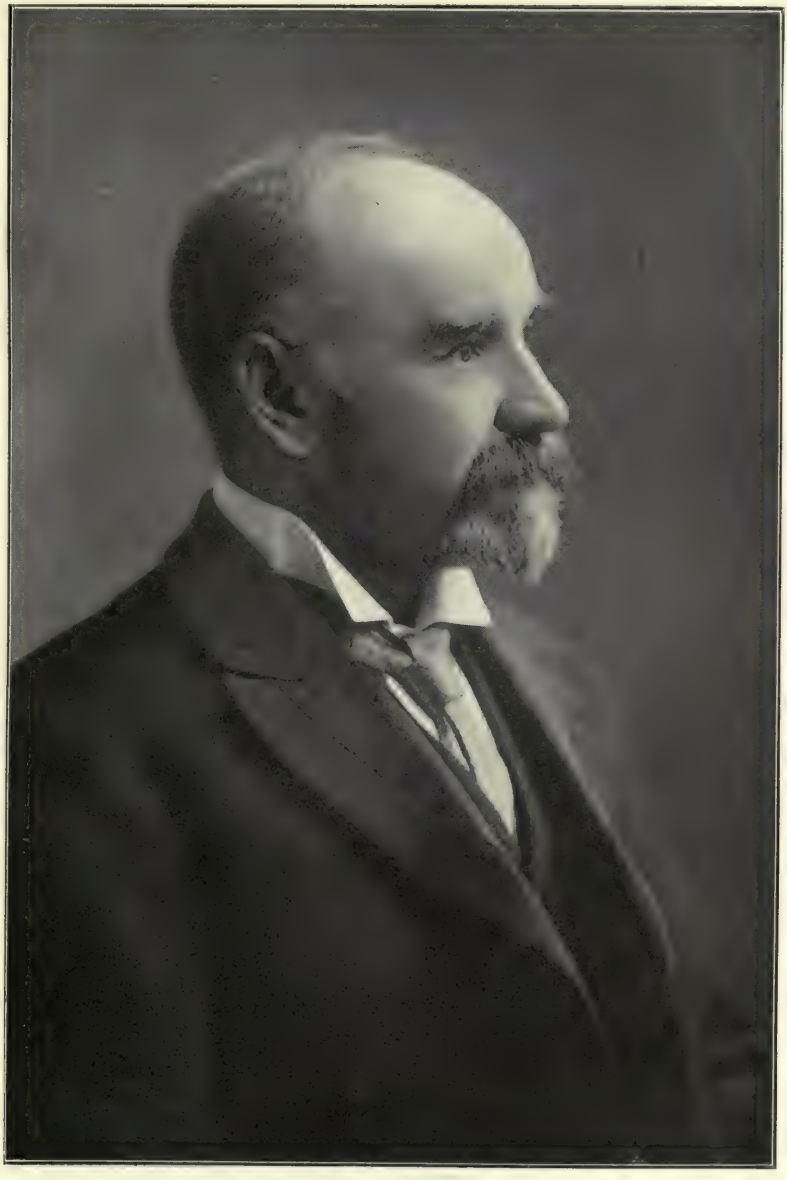
in a word our very sincere thanks to your Lordship and the Corporation for the welcome which has been extended to the delegates, and for the hospitality we all enjoy to-night. The city of Edinburgh has, through its representatives, always been quick to recognise, assist, and promote every good movement having for its object the increase of the welfare of the great body of the people. Savings Banks have essentially that object in view, and we are proud that these celebrations should be so generously recognised by the capital of Scotland. On behalf of the trustees, delegates, officials, and their friends, I beg to move a very hearty vote of thanks to the Lord Provost and Corporation of the city of Edinburgh for their welcome and hospitality on this occasion. (*Applause.*)

Mr. CARGILL, after making several announcements regarding the general arrangements for the Celebrations, referred to the honour the Lord Provost and Magistrates had conferred on them by this splendid reception, and expressed the hope that the delegates and their ladies would all enjoy themselves while in the city.

LIST OF THE GUESTS

The following is a list of the guests of the Corporation, most of whom, with their ladies, were present:—

Monsieur le Comte de la Panouse, President, and Monsieur Georges Thillaye, Agent-General de la Caisse d'Epargne de Paris ; Monsieur Bellemain, Lyons ; Monsieur Capeyron, Bordeaux ; Monsieur Houtvelde, Brussels ; Dr. Tetrode, Dr. Kirberger, and Dr. Post, Amsterdam ; Dr. Delprat, Rotterdam ; Monsieur Perregaux, Neuchatel ; Mr. David Mitchell and Hon. John Kidd, Sydney ; Mr. W. Herbert Phillipps, Melbourne and Adelaide ; Mr. John H. Upton and the Hon. Seymour Thorne George, Auckland ; Mr. George C. Purves and Mr. C. Stuart Patterson, Philadelphia ; Messrs Andrew D. Baird, Cornelius H. Tiebout, William F.



JONATHAN BAXTER, Esq.
Cashier, Edinburgh Savings Bank

(*Photo by Balmain, Edinburgh*)

Burns, and Herbert F. Gunnison, Brooklyn ; Mr. John J. Sinclair, Bowery, New York.

Sir Albert K. Rollit, LL.D., D.C.L., D.Litt., London, Chairman, Mr. John Hepper and Mr. T. A. Welton, Members, and Mr. W. S. Cameron, Secretary, of the Statutory Inspection Committee of Trustee Savings Banks.

The Lord Justice-Clerk (the Right Hon. J. H. A. Macdonald), Lord Ardwall, Lord Mackenzie, Lord Salvesen, Lord Cullen; Sir George Anderson, Treasurer, Bank of Scotland ; Sir Andrew M'Donald, Sir Robert Cranston, Sir George M'Crae, Sir Ludovic Grant, Bart., Sir John Ure Primrose, Glasgow.

The Moderator of the Church of Scotland (Rev. Dr. M'Adam Muir), the Moderator of the United Free Church (Rev. Dr. John Young), and the Moderator of the Free Church (Professor Cameron) ; Principal Whyte, D.D.; the Rev. Dr. Wallace Williamson ; Rev. Gavin L. Pagan, B.D.; the Very Rev. Canon Grady; the Rev. H. Parnaby, M.A.

Mr. C. E. Price, M.P. ; Mr. J. A. Clyde, K.C., M.P.

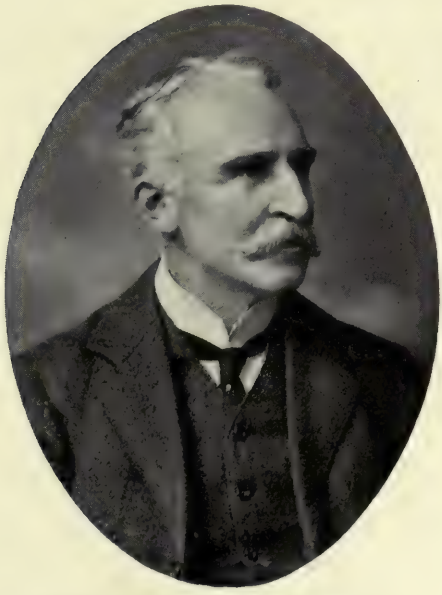
The President of the Royal College of Physicians ; the Secretary of the General Post Office (Mr. Redford); the President of the Faculty of Actuaries; Secretary Merchant Company (Mr. Heron) ; the Chairman Edinburgh Parish Council (Mr. James Gibson) ; the Secretary the Scottish Office (Mr. Conacher) ; Mr. J. P. Croal, Editor of *The Scotsman*; George Neilson, LL.D., Glasgow ; Dr. Lovell Gulland, Dr. Burn Murdoch, David Patrick, LL.D.; Thomas Ross, LL.D.; Dr. E. F. Armour, Dr. Lundie, the Rev. A. Angus, Ruthwell; Lieutenant-Colonel Haswell, Tynemouth; Provost Davidson, Coatbridge; Dr. Urquhart, Perth; Dr. J. A. R. Cargill, Edinburgh; Mr. and Mrs. Gidden.

Mrs. Hall and Mrs. Woods, great-granddaughters of the Founder of Savings Banks ; Messrs Stuart Sim, Chief Registrar of Friendly Societies ; R. W. Armour, J.P., Edin-

burgh ; Silvester Stirling, Government Inspector ; T. W. M. Watson, C.A., Government Inspector ; Mr. and Mrs. Macfie, Borthwick Hall ; Mr. Bogie, Manager Commercial Bank ; Mr. Henry R. Brown, Mr. and Mrs. J. E. Cargill, Mrs. and Miss Christie, the Rev. W. W. Duncan, Mr. Rufus Fleming, American Consul ; Messrs W. Graham, Manager, Union Bank ; Lewis Grant, Kirkcaldy ; J. Milne Henderson, Manager, North of Scotland Bank ; A. Scott Ireland, S.S.C. ; Jonathan Lyon, Robert M'Vittie, James Sclater, R. R. Simpson, W.S. ; D. A. Curror, W.S. ; J. B. Sutherland, S.S.C. ; James Wilson, Douglas Wood, C.A. ; James Lovell, D. C. Oliver, James Kirkhope, John Kirkhope, Peter Morison, S.S.C. ; Campbell Robertson, F. R. Jamieson, T. J. Millar, C.A. ; A. A. Meek, Peter Wilson, W. J. Laing.

Chairmen, Actuaries, and Officials of Savings Banks.— Messrs W. A. Barclay, jun., Perth ; Noel L. Griffith, London ; M. Pearce Campbell, Glasgow ; F. P. Dixon and Thomas Hewetson, Carlisle ; J. B. Collings, Guernsey ; George M. Cook, Aberdeen ; W. J. Williamson, Cupar ; D. M. Rollo, Cupar ; Trevor Pearce, Exeter ; the Rev. J. L. Dinwiddie, Ruthwell; L. M. Dinwiddie, Dumfries; Ralph Erskine, Dunfermline ; John Edwards, Glasgow ; John A. Galbraith, Glasgow ; A. B. Gilroy, Dundee ; John M. Davey, Guernsey ; James Guthrie, Dundee ; William Henderson, Dundee ; J. Charles, Inverurie ; T. Jaffrey, Aberdeen ; J. Jenkins, Stirling; Wilkie Jones, Lambeth ; M. Woolley, Lambeth ; C. W. Jones, Leicester ; R. D. M'Ewan, Glasgow ; John Miln, Dundee; George Gray, Montrose; John G. Milne, Montrose; M. A. Morrison, Newburgh ; W. J. Johnson, Norwich ; George Anderson, Preston ; John Mallaband, Sheffield ; Frank Moss, Stockport ; William A. Proud, Warrington ; John Musgrove, Whitehaven ; R. G. Wilson, Aberdeen ; W. L. Lawton, York ; W. P. Ure, Glasgow ; John Symons, Dumfries ; James M'Farlane, Glasgow ; John Paton, Glasgow ; Robert Paterson, Glasgow ; Robert Corbet,

HENRY KENWARD SHIELLS, Esq., C.A.
Auditor, Edinburgh Savings Bank
(*Photo by Crooke, Edinburgh*)



JAMES BEVERIDGE M'INTOSH, Esq.
Solicitor Supreme Courts
and
Law Agent to the Edinburgh Savings Bank
(*Photo by Moffat, Edinburgh*)

Glasgow ; William Anderson, Brechin ; R. B. Don, Dundee ; James Munro, Glasgow ; Thomas Ashton, Ashton-under-Lyne ; D. F. Howarth, Ashton-under-Lyne ; R. A. Drean, Belfast ; John Cleaver, Belfast ; Frederick Emley, Newcastle ; George Grahame, Berwick-on-Tweed ; William Henry, Coleraine ; H. Carr Cave, Cork ; J. L. Simpson, Derby ; F. Fullerton, Hull ; L. D. Stewart, Manchester ; Joseph Corrie, Dumfries ; Adam Maitland, Aberdeen ; W. Roddick, Annan ; R. C. Thomson, Dundee ; Robert Young, Nottingham ; E. Yewdale, Leeds ; R. Knowles, Chester ; and William Deacon, Greenock.

The following Trustees and Managers of the Edinburgh Savings Bank were also present:—Messrs William Anderson, Walter B. Blaikie, Hippolyte J. Blanc, R.S.A. ; Thomas Callender, F. W. Carter, C.A. ; C. E. S. Chambers, James Clark, K.C. ; J. Smith Clark, S.S.C. ; John Cowan, D.L. ; William Cowan, Thomas Craig, S.S.C. ; Robert Cross, James H. Cunningham, C.E. ; Alexander Darling, Robert Dick, David Dickson, J. L. Ewing, and the Rev. W. M. Falconer, M.A. ; Messrs A. G. Forman, W.S., and Thomas Geddes; Sir James P. Gibson, Bart., M.P. ; Messrs R. D. Graham, John Grant, William Grant, R. C. Gray, S.S.C. ; Patrick Guthrie, George A. Harrison, John Harrison, the Rev. J. B. Hastings, D.D. ; Messrs Alexander Ingram, G. Harvey Johnston, John Jordan, James Kennedy, and Rev. Thomas Kirk, D.D. ; Messrs Thomas Liddle, S.S.C. ; George Lorimer, D. F. Lowe, LL.D. ; J. S. M'Culloch, W.S. ; Daniel Macfie, James F. Mackay, W.S. ; John Macniven, George Mackie, Robert Maule, J. D. Millar, advocate ; R. C. Millar, C.A. ; the Very Rev. James Mitchell, D.D. ; the Rev. W. D. Moffat, M.A. ; Messrs Francis More, C.A. ; Alexander Noble, Sheriff R. L. Orr, K.C. ; James Pringle, C.A. ; A. Spottiswoode Ritchie, David Robertson, A.R.S.A. ; R. A. Robertson, D.L., S.S.C. ; W. B. Robertson, Andrew A. Rose, A. Ellison Ross, S.S.C. ; R. G. Scott, W.S. ; John Slight, George

Somerville, Robert Somerville, G. Malcolm Stuart, W.S.; Joseph G. Stuart, W.S., LL.D.; J. P. Sym, W.S.; J. Pringle Taylor, W.S.; James Hay Thin, William Traquair, W.S.; Charles H. Turnbull, S.S.C.; William Walker, Robert Weir, D.L.; W. B. Wilson, W.S.; G. Mure Wood, W.S.; Archibald Young; J. B. M'Intosh, S.S.C., Law Agent; H. Kenward Shiells, C.A., Auditor; Jonathan Baxter, Cashier; Mr. Charles A. Moir; Mr. Robert D. Mure; Mr. John H. Young; Mr. Innes Cockburn; Mr. James A. Harrison; Mr. Kenneth J. Stirling; Mr. James Grieve; Mr. William Thomson Muir; Mr. William M. Wood; and Mr. James Lewis Jenkins, Branch Agents.

During the evening the Misses Mather, the well-known Edinburgh instrumentalists, submitted a pleasing programme, in which they were assisted by Mr. George Campbell (baritone). The following was the programme :—

1. MARCH . . . . 'Tannhauser' . . . . *Wagner.*
2. SONG . . . . 'Thora' . . . . *S. Adams.*
   Mr. GEORGE CAMPBELL.
3. MORCEAUX . (*a*) 'Le Vieux Violoneux' *Mrs. Maitland Malcolm.*
   (*b*) 'La Coquette du Village'
4. VIOLIN SOLO . . 'Angels Guard Thee' . . . . *Godard.*
   Miss JANEY MATHER.
5. SONGS . . . (*a*) 'Eriskay Love Lilt' } *From the Songs of the Hebrides, arranged by Mrs. Kennedy Fraser.*
   (*b*) 'In Hebrid Seas' }
   Mr. GEORGE CAMPBELL.
6. DRUM SOLO AND MARCH 'Honeymoon' . . . . . *Rosey.*
   Miss MINNIE MATHER.
7. SELECTION . . 'North of the Tweed' . . *Arr. A. Mather.*
   Including—'Annie Laurie,' 'Robin Adair,' 'March of the Cameron Men,' 'Stumpie,' and 'The Deil amang the Tailors.'
8. SONG . . 'Willie's gane to Melville Castle' . . . ——
   Mr. GEORGE CAMPBELL.
9. RHAPSODY . . 'The Magyar Love Song' . . . *A. Mather.*
10. SELECTION . . . 'The Arcadians' . . *Monckton and Talbot.*

GOD SAVE THE KING.

The company before dispersing sang 'Auld Lang Syne.'

SIR GEORGE ANDERSON
TREASURER, BANK OF SCOTLAND
EDINBURGH.

(Photo by Lafayette)

SECOND DAY'S PROCEEDINGS

THURSDAY, 9TH JUNE 1910

THE TRUSTEE SAVINGS BANKS ASSOCIATION

THE Annual General Meeting of the Trustee Savings Banks Association was, by the courtesy of the Master (James L. Ewing, Esq.), held in the Merchant Company's Hall, Hanover Street, Edinburgh, on Thursday, 9th June 1910, at ten o'clock A.M. The Chair was taken by Leonard Tatham, Esq., President of the Association, and Chairman of the Manchester Savings Bank, and he was accompanied to the platform by the Right Hon. W. S. Brown, the Lord Provost of the city of Edinburgh, W. P. Park, Esq., Deputy-Chairman, and the Officials of the Association.

The following gentlemen were present:—Messrs Leonard Tatham, Manchester, President; L. D. Stewart, Manchester, Secretary; Francis Fullerton, Hull, Treasurer; Monsieur Houtvelde, Brussels; Monsieur Capeyron, Bordeaux; Dr. Tetrode, Amsterdam; M. le Comte de la Panouse, Paris; Monsieur Thillaye, Paris; Monsieur Perregaux, Neuchatel; Monsieur Bellemain, Lyons; Dr. Delprat, Rotterdam; Dr. Kirberger, Amsterdam; Messrs Andrew D. Baird, Cornelius H. Tiebout, Herbert F. Gunnison, and Wm. F. Burns, Williamsburgh Savings Bank, Brooklyn, U.S.A.; David Mitchell, Sydney; W. Herbert Phillipps, Adelaide; H. E. Crane, Chester; Ben. A. Rigby, Frodsham; John E. Savage, Wrexham; Rev. John L. Dinwiddie, Ruthwell; James Lennox, Dumfries; Alex. Pearson, Annan; William Roddick, Annan; Robert Corbet, Glasgow; George Anderson, Preston; John Mallaband, Sheffield; Noel L. Griffith, Bloomsbury; W. P. Park, Preston; John Symons, Dumfries; W. F. Lane Scott, Manchester; Ernest C.

Hitchmough, Cork ; Henry Carr Cave, Cork ; John Turnbull, Galashiels ; F. P. Dixon, Thomas Hewetson, Carlisle ; Z. Yewdall, Leeds ; John Hepper, Leeds ; John Charles, Inverurie ; R. J. Flitcher, F. Moss, Stockport ; Rev. I. Black, Inverurie ; T. Butter, Dumfries ; Rev. Dr. Coats, Brechin ; F. C. Anderson, Brechin ; George Gray, Montrose ; Thomas Jaffrey, Aberdeen ; J. R. Yates, Wigan ; D. M. Rollo, Provost Williamson, Cupar Fife ; W. Corner, Inverness ; J. B. Cunningham, Stonehaven ; W. L. Lawton, York ; T. A. Welton, Trustee Savings Banks Inspection Committee ; C. Woolley, W. Wilkie Jones, Lambeth ; James S. Bell, Vale of Leven ; Ex-Provost Lang, Paisley ; Chas. W. Jones, Leicester ; John M'Callum, Rothesay ; Joseph Merrill, Sheffield ; Robert Young, Nottingham ; L. Lloyd Simpson, Derby ; F. Stanley Tollit, Fred Emley, Newcastle-on-Tyne ; J. B. Collings, John W. Dorey, Guernsey ; Wm. Rennie, Falkirk ; Lieut.-Col. Haswell, North Shields ; D. F. Howarth, Thomas Ashton, Ashton-under-Lyne ; Thomas Parkinson, Blackburn ; John Paton, Robert Paterson, Glasgow ; Provost Young, Jedburgh ; Miss Hardwick, Grantham ; W. P. Ure, Glasgow ; Robert D. M'Ewan, Glasgow ; Ralph Erskine, Dunfermline ; William Henderson, Dundee ; Dr. Urquhart, Perth ; John Murray, Hawick ; Archibald Henderson, Jedburgh ; J. M'Pherson, St. Andrews ; James Binnie, Grangemouth ; John Macniven, Edinburgh ; D. Grieve, Dalkeith ; R. Knowles, Chester ; R. B. Don, R. C. Thomson, and A. W. Sturrock, Dundee ; T. H. B. Rorie, C.A., Trustee Savings Banks Inspection Committee, Dundee ; George Dempster, Greenock ; W. Atherton Morison, Newburgh-on-Tay ; William Kidd, Greenock ; Wm. Henry, Coleraine ; A. T. Higgs, Reading ; Wm. J. Johnson, Norwich ; W. A. Barclay, jun., Perth ; Thos. P. Bragg, Whitehaven ; Arthur Hodgkinson, Preston ; William Long,

LEONARD TATHAM, Esq.
Chairman, Manchester Savings Bank
and
President, Trustee Savings Banks Association

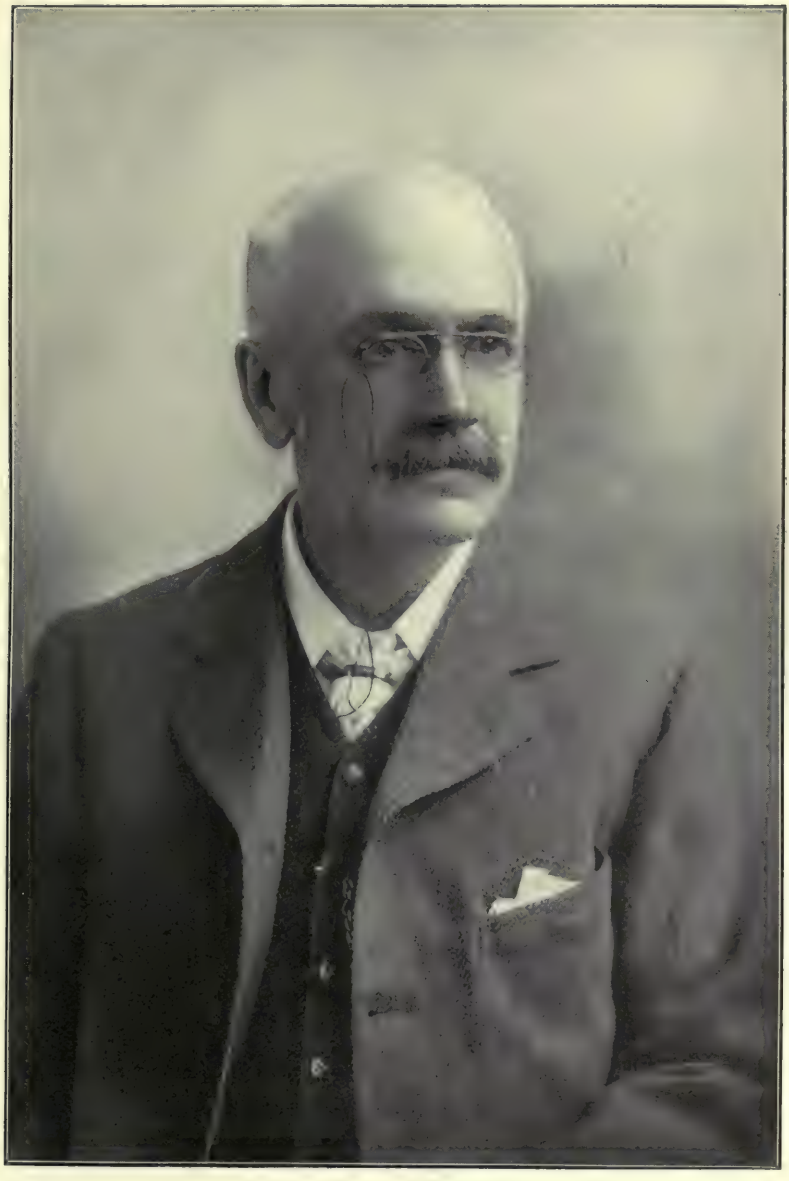
(Photo by Kay)

Warrington ; William A. Proud, Warrington ; George Grahame, Berwick-on-Tweed ; Richard A. Drean, Belfast ; William Strain, Belfast ; Trevor Pearce, Devon and Exeter Savings Bank. There were also present the Master of the Merchant Company (James L. Ewing, Esq.), the Treasurer (George Lorimer, Esq.), and several Trustees, Managers, and Members of the Committee of Management and Officials of the Edinburgh Savings Bank.

The LORD PROVOST, in opening the proceedings, said: Gentlemen, before you begin the formal business that has brought you together, I have again to give you a very cordial welcome to the city of Edinburgh. It is a great pleasure to the members of the Corporation, and I am sure it is a great pleasure to the inhabitants of Edinburgh, to welcome on such an occasion as this so many distinguished persons from various parts of the Empire. (*Applause.*) I hope, however, that you will not attend to business so closely that you will not have time to see some of the beauties of Edinburgh. (*Applause.*) Mr. Cargill spoke at the Reception last night of the 'beauties' of Princes Street, and of course it is a beautiful street, with beautiful shops where you can spend a great deal of money ; but I hope that you will all find time during your stay in Edinburgh—those of you who have not yet had the pleasure—to visit what we call in Edinburgh the 'Royal mile,' that is, from the Castle to Holyrood, with all its associations, with all its romance, made dear to every Scotsman and to many besides by Sir Walter Scott. (*Applause.*) We hope you will find time to look into those crowded districts,—into the 'closes' where the aristocracy of Scotland used to reside. This visit will repay you, and I venture to throw out the suggestion at the beginning of your business, so that you may get at least a half holiday when you are in Edinburgh, to visit some of those places. I do not intend to take up the time of gentle-

men who have met here for serious business, only I hope that the result of your gathering together at this time in Edinburgh will give a fresh impetus to the cause of thrift, and that all over the various cities and towns which you represent, there will be a great increase in the savings of the people. (*Applause*). The Savings Bank has now made it an easy matter for those who desire to find out how they can save their money. I was greatly struck not very long ago in Edinburgh, when I presided at the last Annual Meeting of the Edinburgh Savings Bank, when Mr. Cargill, who, when he takes a matter up, likes to go very thoroughly into it, presented to me a great amount of detail as to the establishment of branch Savings Banks. I was hoping that Edinburgh was the best city of all in this respect, because you know that we have a great liking for our own city; but, notwithstanding this, some of you in the new countries will, perhaps, be able to show even better results. Still, the results shown are very striking. Mr. Cargill is such an enthusiast on branch Savings Banks, that I heard him say not very long ago that he would have branches at almost every street-corner where the great big public-houses are in the densely populated parts of this and other great cities. I say 'amen' very cordially to that, if Mr. Cargill can produce ready-to-hand branch Savings Banks for the working man to put his money into instead of, as he often does, putting it away very foolishly. (*Applause.*) I extend again to you a very hearty and cordial welcome to Edinburgh. I hope you will have a good time, and that you may not have to run away from the city too soon, and that we may have the pleasure of meeting you again. (*Loud applause.*)

The PRESIDENT.—Perhaps I may be allowed at once to express the thanks of the Trustee Savings Banks Association. We are very grateful to the Lord Provost, Magis-



WILLIAM P. PARK, Esq.
Chairman, Preston Savings Bank
and
Deputy Chairman of the Trustee Savings Banks Association

(*Photo by Esmé Collings, London*)

trates, and Council of Edinburgh for what they have already done, and what they will do, to help on this meeting, and to further the great work this Association has before it, viz.—to help poor people to put by a little for old age. We are very much obliged to the Lord Provost for coming here to-day. We know what a busy man he is, how fully occupied any one at the head of a Corporation such as that of Edinburgh must be. I beg to assure his Lordship of the thanks of this meeting for his kindness, but I will not detain him longer from the larger duties he has to perform for the great city over which he rules. (*Applause.*)

The Lord Provost, in returning thanks, said: I consider it a great honour, as well as a privilege, to be here this morning. (*Applause.*)

The formal business then began.

MINUTES OF LAST MEETING

The Secretary (Mr. L. D. Stewart, Manchester) read the Minutes of the last Annual Meeting of the Association.

The Minutes were unanimously approved of.

ANNUAL REPORT OF COUNCIL AND STATEMENT OF ACCOUNTS

The President.—I do not think I need read the Report and Statement of Accounts, as they have been sent round the members, but will ask you to take them as read. You will note the result that the subscriptions have been paid up, and that we have £396 in hand.

The Report and Accounts were unanimously approved of.

APPOINTMENT OF COUNCIL

Mr. Francis Fullerton, Hull, moved, and it was unanimously resolved: That the following Banks in union be elected as the Council of Management for the current year, viz.—Ashton-under-Lyne, Blackburn, Bloomsbury, Carlisle,

Chester, Devonport, Edinburgh, Exeter, Glasgow, Hull, Lambeth, Leeds, Leicester, Manchester, Newcastle-on-Tyne, Norwich, Preston, Sheffield, Stockport, and Warrington.

RESOLUTIONS OF REGRET

Mr. W. P. PARK, J.P., Chairman of the Preston Savings Bank and Deputy Chairman of this Association, said: The sad duty has been committed to me to refer to the great loss which the Association has sustained by the death of two of its prominent members during the past twelve months, viz. —Colonel Cutler, Chairman of the Sheffield Savings Bank, and Mr. Cotterill, the late Actuary of the Sheffield Savings Bank. We all lament these two deaths. Colonel Cutler, I believe, was associated with the Sheffield Bank for thirty years. He took the deepest interest in our Association, and it was always a pleasure to see how active he was in his support and assistance in our deliberations. With regard to Mr. Cotterill, I believe it was through him and Mr. Fullerton that this Association was established, and I think I am right in saying that it was the outcome of a Savings Bank Association called the Yorkshire Actuaries Association, of which Mr. Cotterill was the founder. I feel that we should record how deeply we regret the removal through death of these two gentlemen from our counsels. It may not be improper, assembled as we are at the Annual Meeting of this Association, to join with the Empire and the world in deploring the death of the late King Edward VII. The King took every opportunity to encourage the thrift of his people, and I think it will come graciously from us if we record the deep regret that we, as an Association, feel in the loss sustained by his death.

The PRESIDENT.—What Mr. Park has said will be in accordance with the feelings of all of us, both as to the much-lamented death of the King and also as to the death of such

a worthy and able champion of the great cause of Savings Banks as Colonel Cutler, and as to his very able assistant, Mr. Cotterill, the former Actuary at Sheffield. I and the Secretary of the Association had an interview with Colonel Cutler at Sheffield only a few months before he died. I am sure that, as suggested by Mr. Park, our Minutes should contain a record of the loss that the country and our Association has suffered by these deaths. This was agreed to.

APPOINTMENT OF TREASURER

The PRESIDENT.—I have great pleasure in proposing that Mr. Francis Fullerton be appointed Treasurer of the Association for the current year. Mr. Fullerton has done the work very well, and no one knows it better than he does. (*Applause.*) This was agreed to.

APPOINTMENT OF SECRETARY

The PRESIDENT.—I have great pleasure in moving the appointment of Mr. L. D. Stewart as the Secretary of the Association for the current year. Nobody knows the work better, or is more able to do it, than Mr. Stewart. (*Applause.*)

Mr. W. P. PARK, Preston.—I second the motion. I have had many interviews with Mr. Stewart, and I know better than any one the great amount of work he does.

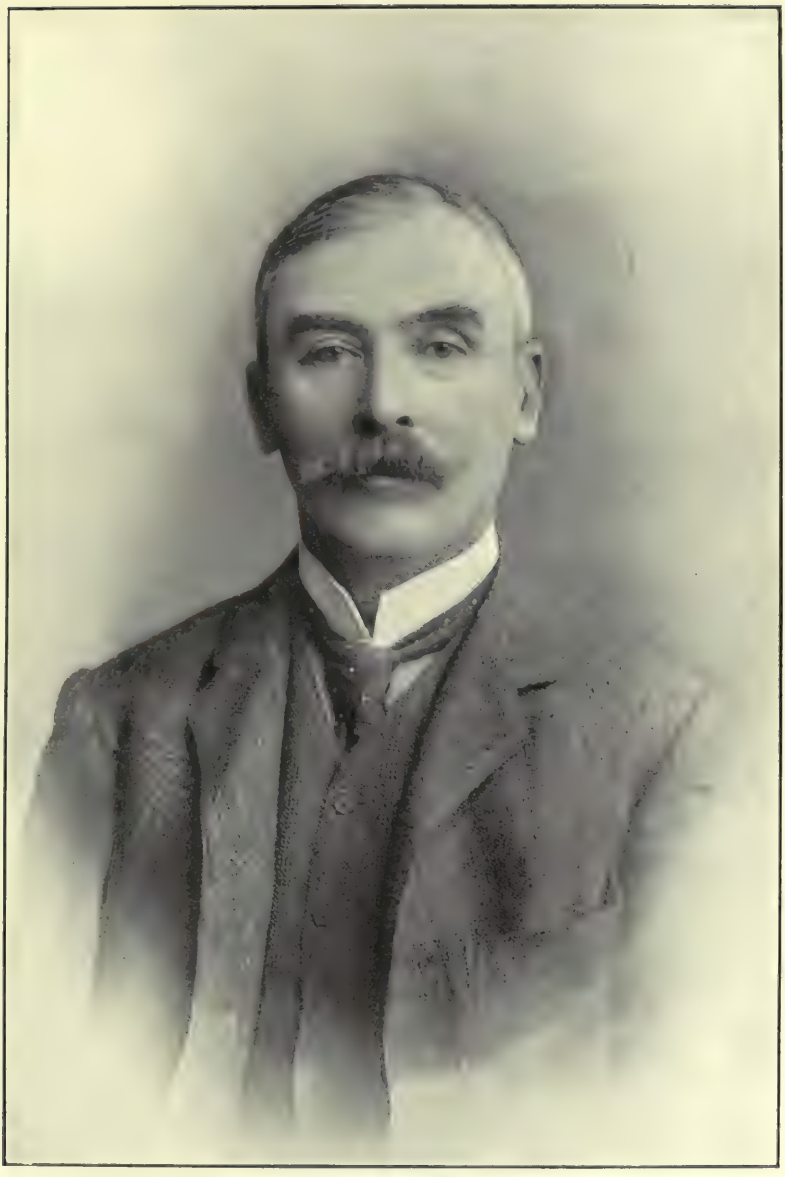
This was agreed to.

RETURN OF INCOME TAX

The Meeting then considered the Report of the Sub-Committee in reference to the claims of Savings Banks for return of Income Tax in their Special Investment Departments.

The PRESIDENT.—All of you know that by the Finance Act of 1894, sec. 36, Savings Banks having a Special Invest-

ment Department are authorised to claim a return of the tax in respect of all interest of depositors receiving not more than £5 each. Of course in the Ordinary Departments, where the money is invested with the Government or in Consols through the National Debt Office, no tax is deducted, but in the Special Investment Department, the trustees and managers of the individual Savings Banks have to invest their money like ordinary investors, and the interest is paid by the Bank of England, Corporations, and Companies, less the tax; but the great mass of persons to whom this interest eventually goes are undoubtedly of the working class, and therefore we may assume that they have incomes less than £160, and are not liable for any income tax whatever. The Finance Act of 1894 provides, instead of requiring each of those persons to prove that they are entitled to a return of the tax, that the tax on sums of not more than £5 should be repaid *en bloc*, but some Surveyors of Taxes said : 'Yes, but bring me the names and addresses of all persons who receive £5 and under, and let me see the ledgers to prove to me that they are in reality persons who are not liable for income tax.' That is rather contrary to our practice, because all trustees and managers and officials connected with Savings Banks are strictly bound not to give the names of any depositors or the amounts they have with us, or any particulars as to their circumstances. The Government and the authorities at Somerset House are very difficult to keep from getting any information they really want. They are inquiring into everybody's income, and I suppose they have a right to inquire into the incomes of the working classes as well as of other classes, and that is the difficulty we have. Some Surveyors have insisted that we must open all our ledgers, and give the names and addresses of all persons receiving not more than £5. There has been considerable discussions and correspondence between



L. D. STEWART, Esq.
Actuary, Manchester Savings Bank
and
Secretary, Trustee Savings Banks Association

(Photo by Fred. Ash, Manchester)

various Actuaries and the Inland Revenue. Mr. Tollit (Newcastle-on-Tyne) has had a very considerable correspondence, and he has kindly printed and distributed it. A case, including this correspondence, was laid before Mr. Acton, a Counsel with a very large practice as a junior on the Northern Circuit. In his opinion we must prove to the Surveyor of Taxes the basis of our claims, and for this purpose let him see our ledgers and verify the amount of our claims, and let him take the names and addresses of the recipients if he wishes to do so.

Colonel HASWELL (North Shields).—I feel rather strongly upon this point, and having been for forty years connected with the North Shields Savings Bank, of which I am the Chairman, I feel that this question of the income tax should run upon all fours with the exemption of Co-operative Stores. They have been freed from income tax solely to save clerical trouble to the Income Tax Department. There are so many of the depositors in Co-operative Stores who have only weekly wages, that they were exempted to a large extent on account of saving clerical requirements from being assessed for income tax. Now, the Co-operative Stores are for the benefit purely of the working classes, and I take it that the Savings Bank was initiated by Dr. Duncan upon exactly the same basis, and I think therefore that what the Government allows in the one case, should be allowed in the other. Undoubtedly, I quite agree with the Surveyor of Income Tax, and I speak here as an Assistant Commissioner of Income Tax, that he has the power to inquire from a man all sources of information, down almost to what he has in his trousers' pockets. Most inquisitorial is the way in which they are allowed to make claims on individual people, but there can be no difference between the Co-operative Association and the Savings Bank, and we ought to be free from income tax. (*Applause.*)

Mr. FRANK MOSS (Stockport).—It is quite possible that some find it easy to get income tax reclaimed whilst others experience very great difficulty. I really think that they should take a stand and deal uniformly with us, and that we should take up a similar position. There is, in my knowledge, a Bank which receives back again the income tax for sums of £5 and under, according to the Act. There were other Banks throwing great obstacles in the way. With regard to Counsel's opinion just quoted, of course there is no doubt it is only Counsel's opinion. I don't suppose it is binding in Law, and I really think the question should be taken up seriously, if need be, and if it is to be fought, fight it out to the end. If one side is not to give in, have a test case. As an Actuary, I would far rather lose the tax altogether than give them the information by looking at our books, and taking away any particulars they want, and harassing people, because there is no doubt that if once the people get to know, they will put their money somewhere else. On those grounds alone, before I would let them look at the ledgers and take away particulars of the accounts, I would far sooner lose the money.

Mr. A. C. RENNIE (Falkirk).—We have a large and growing Investment Department, and we have no trouble whatever in getting the income tax repaid. Our ledgers have never been examined. I am required to furnish a list of the depositors whose income tax is to be refunded. We take great care that no name goes in whose income is over £160. No depositor has ever complained about this inquiry, and we have had no difficulty in getting the income tax refunded. (*Applause.*)

The PRESIDENT.—With reference to what Colonel Haswell has said, we are entirely ruled by the Act of Parliament, and it is very difficult to get the law altered, or a

special section passed merely to assist Savings Banks. We have all had that experience with regard to the slight change we wanted as to trustees' investments. The Scottish members of Parliament are better organised than their English brothers, and can sometimes obtain special privileges. Friendly Societies and Trade Union Societies command much influence at the polls, and can compel the Government to listen to their reasonable requests; but the depositors in the Savings Banks are not organised, and cannot command this attention to their wants. The Finance Act of 1894 enables us to obtain a return of the tax on these sums, but we must make our claim in accordance with the exact words of that section, and must prove it to the Surveyor by producing the details. The whole question turns on what proof he requires. There are a large number of Surveyors of taxes; indeed in Manchester alone we now have twelve Surveyors, and of course you must find a great difference in these individuals. Many are in thorough sympathy with our objects, and they at once accord us every facility. Others may have so little to do that they harass small Banks by asking for the fullest proof. In Manchester we say: 'You may look through the thousands of names and addresses if you like, and make money for the Government by doing so if you can,' but they say, 'No, thank you. If the claim is perfectly true and correct, that is all we want.' In smaller towns the Surveyors are not so busy, and they may want to show their diligence. If you hesitate they think something is held back, and perhaps suppose that all the rich men in the town bring their little sums of £200 or £300 to invest with us. If you meet them half way by giving them reasonable proof of your claim you will have no trouble. (*Hear, hear.*) Speaking on behalf of the officials of the Manchester Bank, if we can help any other Bank in dealing with this question, we shall be only too glad to do so. We have never had any

difficulty in getting our income tax back since the Act was passed. (*Applause.*)

Mr. A. T. HIGGS, Reading.—I am directed by the Reading Bank to suggest whether the Council of the Association can form some Central Bureau to protect the terms on which loans by the Special Investment Department of Savings Banks are made to local authorities. We find at Reading that we are faced by the Agents of other Banks who are willing to lend their money for very easy and very short terms. I don't know whether it is practicable to fix a standard of terms.

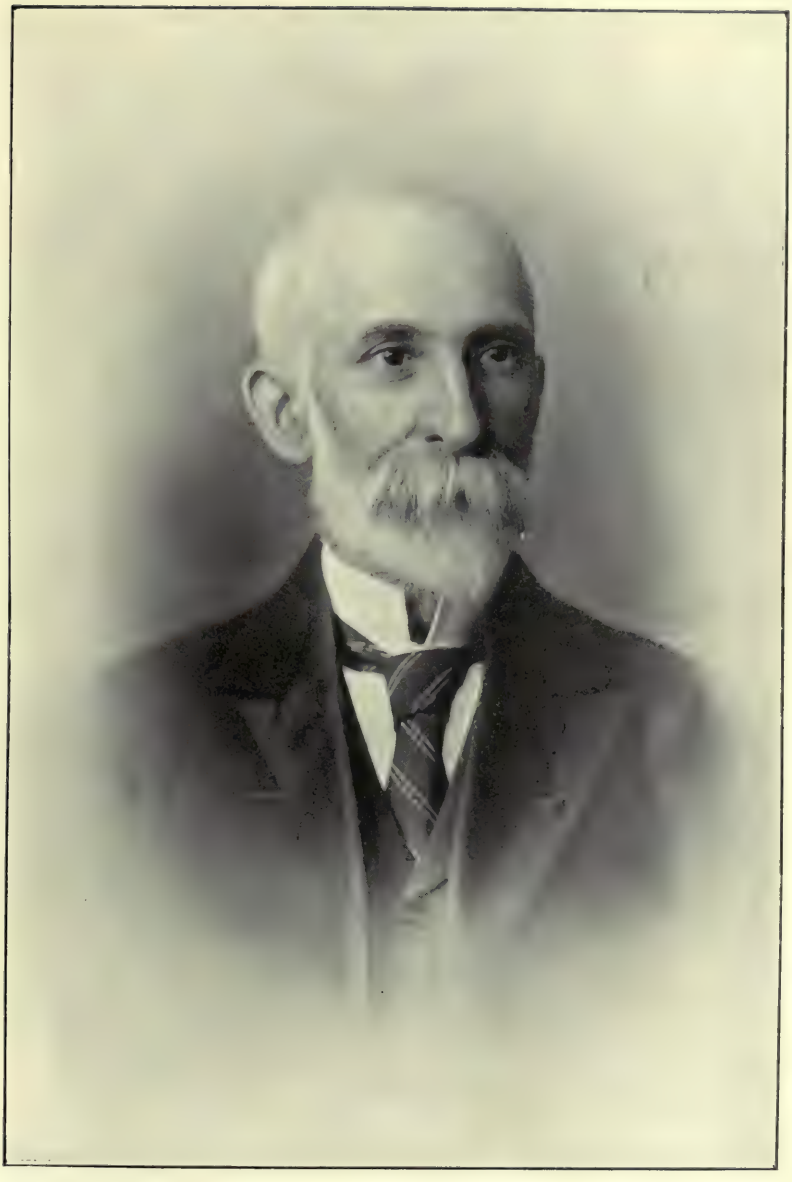
The PRESIDENT.—We can hardly discuss this question in quite general terms, as you raise it. If you wish to bring it forward, I think we should have notice of a formal resolution, and it shall be considered by the Council, and their Report can come up at a subsequent General Meeting.

Mr. HIGGS.—That is my object.

The PRESIDENT.—Perhaps you can write a formal letter to the Secretary on the point. I may say at once that we have had a good deal to do with large Banks that have a Special Investment Department, but we and they have as little to do as possible with those agents who wish to skim our milk, and obtain a commission for themselves. We prefer to have to do with Corporations directly, and we find that we can get fair play. All the Corporations advertise their terms to the public, and there is no secret about it. If you write a letter on the point to the Secretary it shall be considered and dealt with at the Council of the Association at their next meeting.

Mr. HIGGS.—I have already done that. Very often there is a difference between the advertised rates in the newspapers and the terms of the Agents.

The PRESIDENT.—Undoubtedly, because the Agent has to make his own terms.



FRANCIS FULLERTON, Esq.
Actuary, Hull Savings Bank
and
Treasurer, Trustee Savings Banks Association

(Photo by Barry, Hull)

AMALGAMATION OF SAVINGS BANKS

The PRESIDENT.—It was referred last year to a Sub-Committee, over which I presided, to consider and report as to the desirability of the smaller Banks being amalgamated with the larger Banks in their immediate neighbourhood. The Sub-Committee has reported that in their opinion the proposed amalgamation will confer benefits both on the larger and the smaller Banks, and lead to improved management, and that it would lead to the enlargement of both the Central and the affiliated Banks, and by increasing the deposits and sums available for management, would often enable smaller Banks to overcome their difficulties, in providing an efficient paid staff. We were also of opinion that, through amalgamation, facilities could generally be given for an extension of business by opening the Banks for longer hours. The aggregate amount given to the depositors in the Amalgamated Banks may, in some cases, enable them to take advantage of the provisions of the Act, and open Special Investment Departments, which we believe will always be of advantage to the district. With a view to assist many Banks who desire to amalgamate, we recommend that the Statement submitted to us by the Actuary of the Chester Bank be approved of, and that a copy be sent to all Actuaries of Trustee Savings Banks. I should like to move that the Report be approved and entered on the Minutes, and that it be printed along with the Statement of the Actuary of the Chester Bank, and that a copy be sent to the Actuaries of all Trustee Savings Banks. This is a question that should interest Metropolitan Savings Banks in London as well as Provincial Banks. The work done at Chester has been thoroughly successful, and has proved that Banks which are declining can by amalgamation be invigorated and again become of use to the neighbour-

hood, and this without losing the assistance of the local friends. Amalgamations might take place with advantage in London, where it is curious to notice that the Savings Banks have not held their position in a way that they should have done with the teeming populations about them. Glasgow has the largest of all the Banks, but the population does not compare with London. London ought to have a great Central Bank, with branches in every Borough in their great area around, and in that way they could offer to the public, through their trained assistants, advice and assistance that no Post Office Bank can do. (*Hear, hear.*) I have had occasion myself to do some business through the Post Office Savings Bank, but they are curiously unable to give you assistance or advice. A little while ago I went to the Manchester Post Office for a poor old servant who was getting a legacy, and wanted to know how she was to purchase £100 Local Loans Stock. The clerk I saw had never heard of Local Loans Stock. He said, 'You cannot do that, but we will invest £100 in Consols.' I said, 'No, I want to buy £100 of this stock.' If the application had been made to the Manchester and Salford Savings Bank they would have said, 'You can buy £100 of Stock or Consols.' I asked the Post Office clerk, 'What is the price of Local Loans Stock?' I was surprised that even in the great Post Office at Manchester no clerk knew. They tried to get a copy of the morning newspaper, but it could not be found. (*Laughter.*) I said, 'Unfortunately, I cannot take this woman over to the Manchester and Salford Bank, because she has an account here, and the investment must be made with you.' After some trouble, I did get the investment made. This shows the work and assistance that can be done in Trustee Savings Banks, and cannot generally be given in Post Office Savings Banks. I do think we ought to try to keep efficient all Trustee Savings Banks that are in

existence now in all the towns, large and small. Of course it is not for a large Bank to go out and ask poorer or unsuccessful neighbours to come in, but it would be well if the smaller Banks knew that amalgamation is possible, and was favoured by the larger Banks, and that if asked the larger Banks would be only too glad to assist and to do anything they could to keep alive these smaller Banks, and continue in each individual town that kindly assistance and help which can only be obtained at the Trustee Savings Banks. I have great pleasure in moving this resolution. I hope Mr. Crane, from Chester, who has been so energetic and so active in amalgamating four Banks with the Chester Bank, will second this motion, and will give us his experience of this amalgamation more at large. (*Applause.*)

Colonel HASWELL.—Before this resolution is put to the meeting, I think we ought to know what is meant by a small Bank. The Inspector of Savings Banks has suggested that our Bank might amalgamate with a larger Bank in a larger place. At our last half-yearly meeting I mentioned this, and all the trustees and managers present, thirty-one in number, said, 'We stand upon our own legs, and we will be amalgamated with no one.' Now, I don't know upon what basis they are talking about a smaller Bank. We have the sum of £42,674. That may be a very small amount in comparison——

The PRESIDENT.—Is that the total amount of your deposits?

Colonel HASWELL.—Yes, with the National Debt Commissioners. Where are we to draw the line of smaller Banks, so that we know before we vote whether Banks with £42,674 are of the smaller order. If we are to draw the line, I will not vote for the resolution. I oppose it.

The PRESIDENT.—There is no sort of compulsion. There are Banks, for instance—I know personally one in my part

of the country—Kirby Lonsdale, which can hardly pay an Actuary. That is where amalgamation may assist; for instance, where you want two paid officials, and you have only one, and he is underpaid,—that is, in my mind, a smaller Bank.

Colonel HASWELL.—Fix the amount.

Mr. H. E. CRANE, Actuary of the Chester Savings Bank.—The Lord Provost made use of these words: 'Gentlemen, I believe you are here for very serious business,' and it is because I believe we are here on serious business that I venture to address you on the subject of amalgamation. We are asked, what do you mean by a smaller Bank? It is one which, by reason of the smallness of its capital, is deprived of benefits which it can only have by amalgamating with a larger Bank (*Hear, hear*),—for instance, a Special Investment Department. I shall read to you the Report of the Committee, and I hope it will be forwarded to every Savings Bank in the kingdom. I have added an Appendix giving the details of a scheme of amalgamation, but I ask you clearly to understand that that is only a basis on which to suit your local conditions. He then read the following Statement on the subject.

Under Section 5 of the Savings Banks Act, 1904, power is now given for the amalgamation of Savings Banks as follows:—

'Section 5. (1) Any two or more Trustee Savings Banks may, with the assent of the National Debt Commissioners, on the recommendation of the Inspection Committee, by special resolution of both or all such Banks, become amalgamated together as one Bank, with or without any dissolution or division of the funds of such Banks, or either or any of them, and all the funds and property of such Banks shall become vested in the amalgamated Bank without the necessity of any form of conveyance or assignment other than the Special Resolution for amalgamation.

'(2) For the purposes of such amalgamations, a special Resolution shall mean a resolution passed by not less than three-fourths of the Trustees of the Bank present at a General Meeting of which notice specifying the intention to propose the Resolution has been duly given according to the Rules, and confirmed by a majority of the Trustees present at a subsequent meeting of which notice has been duly given, held not less than fourteen days nor more than one month from the date of the first-mentioned meeting.'

The following 'reference' to amalgamation appears in the Report of the Inspection Committee for the year ended 20th November 1904 :—

'The provisions of the recent Act as respects amalgamation may prove of great value, where, in the absence of such an alternative, it might seem advisable to close a Savings Bank. In large areas, such as, for example, the Metropolitan, if several Banks were amalgamated, a considerable economy might be effected by carrying on the less important as Branches under a Sub-Actuary, and rearranging the staff by retiring officers whose age and service would entitle them to superannuation allowances, and by taking on younger men at lower salaries. One able actuary could efficiently control half a dozen by the aid of such assistants.'

At Chester the following amalgamations have been carried out since the passing of the Act :—

(1) With Wrexham Savings Bank from 21st Nov. 1906.
(2) ,, Frodsham ,, ,, ,, 21st May 1908.
(3) ,, Knutsford ,, ,, ,, 21st May 1909.
(4) ,, Mold ,, ,, ,, 21st May 1910.

In each of those cases the application to Chester for amalgamation was made for the following purpose :—

(1) To open a Special Investment Department, and thus obtain for such Bank the benefits conferred upon the

depositors and the Bank by the opening of such a department.

(2) To obviate the necessity of Trustees and Managers attending to assist in the transaction of business, by appointing additional paid officers.

(3) To secure the co-operation and assistance of the larger Bank.

(4) To extend the hours of opening, and give additional facilities to the public for the promotion and encouragement of thrift in the district.

The Act of 1904 provides that Banks having £200,000 due to depositors in the Ordinary Department may open Special Investment Departments. Where the combined funds of the Amalgamated Banks exceed £200,000, they can take advantage of this provision.

As showing the benefits to the three Banks which have joined with Chester, there has been an increase in the amount due to depositors, since amalgamation, to 20th November last, of no less than £20,638, *i.e.*—

Wrexham,	£14,740
Frodsham,	3,697
Knutsford,	2,201
	£20,638

These increases have been in *both* departments, viz.—Ordinary, £4286 ; Special, £16,352—Total, £20,638.

As showing the exceptional results obtained from amalgamation, it is interesting to note the previous position of the three Banks. Each Bank had shown a gradual decrease for several years past, but since the amalgamation the decrease has been turned into an increase, as stated above.

Wrexham, on the date of amalgamation, had £75,615 due to depositors, and was open six and a half hours per week.

On 20th November 1909, it had £90,355, and is now open *daily*, or sixteen and a half hours per week.

Frodsham had £21,278 due to depositors, and was open *one* hour per week, in addition to *one* hour on the *first* and *third* Saturdays in the month. On 20th November 1909, it had £24,975 due to depositors, and is now open six and a quarter hours per week.

Knutsford had £41,840 due to depositors, and was open two hours per week, in addition to *one* on the first and third Mondays in the month. On 20th November 1909 it had £44,041 due to depositors, and is now open seven hours per week.

The amalgamation with Mold has been sanctioned as from the 20th May 1910. The amount due to depositors on 20th November last was £28,721. The Bank was previously open for two hours per week ; it is now open six and a half hours per week.

Mr. CRANE, continuing, said : The Chester Bank has benefited as follows :—The Bank has continued to increase its deposits, and the trustees and managers have had the satisfaction that the work of the Bank in the promotion and encouragement of thrift has been spread over a greatly extended area.

In addition to the benefits conferred upon the smaller Bank in obtaining a Special Investment Department, there are the further advantages of the complete supervision and co-operation of the larger Bank, while the constitution of a Joint Board provides for the mutual discussion and consideration of all matters affecting the amalgamated Banks. The identity and continuity of the individual Banks amalgamated have been preserved in each.

I should like to say that the suggestion of the Committee stands on a very different basis from others that have been before the Association. The late Mr. James Fairbairn, of Norwich, whose death we all regret, brought forward a scheme

for establishing a journal to disseminate our views, so that we might learn the benefits that other Banks are getting, and adopt them if we thought fit. That was only a personal opinion, and the criticism that it received was very severe. Amalgamations have been sanctioned by Act of Parliament, and the Banks that have been amalgamated know its tremendous utility. Amalgamation is a help to the cause of thrift throughout the country, and I consider it is a very serious responsibility for any Bank having the power not to take advantage of the sections of the Act either regarding amalgamation, or taking up a Special Investment Department. Amalgamation is not used in any selfish manner. It is used in extending thrift over a widely extended area, and it is a great responsibility if Actuaries refuse to take advantage of the section. It would not have been put into an Act of Parliament if it had not been for the benefit of the Savings Banks. You must remember that the larger Banks started in a very humble way, and by proper financial control have risen to the high position they hold to-day. You have now before you the concrete case of Chester, and it is your duty to hold out a helping hand to the smaller Banks that are being deprived of the privileges of these sections. Why should a Bank ten miles from a large town be deprived of the privileges you have? It is the 'cry of the children,' and if the Savings Banks are to make headway, and I think the cause is making headway, we must consider the small Savings Banks. I was privileged a few years ago to have a conversation with Sir George Hervey, Comptroller of the National Debt Office, and in talking about amalgamation, he said that Savings Banks would make greater headway if they were centralised. Amalgamation would be the first step. Don't wait till the smaller Banks come forward. The smaller Banks are afraid of losing their identity, but local control is not lost in any way. The trustees and managers become

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CHAIRMAN
HULL SAVINGS BANK

(Photo by Turner & Drinkwater, 8 Regent's Terrace, Hull)

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ACTUARY, CHESTER AND WREXHAM SAVINGS BANK

(Photo by Chidley)

trustees and managers of the larger amalgamated Bank, and in that way they can help on the cause in a better way than they can merely in their own locality. The particulars are contained in the Appendix, and I sincerely hope that before this meeting closes, you will have recognised that the system adopted in Chester can be carried out in any part of the country. We in Chester are not unique in any way. I hope the larger Banks will not wait for the smaller ones coming to them, and that before we meet again amalgamation will be the order throughout the country. (*Applause.*)

Mr. FRANCIS FULLERTON, Treasurer of the Association.—I have great pleasure in supporting the recommendations, for I have had experience of these matters. Some years ago we took over a small Bank at Grimsby which was open a few hours a week, and now it is open daily as well as on two evenings during the week. Since its amalgamation with the Hull Savings Bank, its funds have increased enormously. The amalgamation with us has not interfered with the local management one bit. The Trustees of the original Bank still continue, and they take even a greater interest in the management of the Bank than before. They are on the list of Trustees, and they are invited to the General Meeting of the parent institution, and take a great interest in it. (*Applause.*)

Mr. W. A. BARCLAY, jun., Assistant Actuary, Perth Savings Bank.—I have much pleasure in supporting the resolutions before the meeting, that we should adopt the principle of amalgamation, and I should like to give my experience in the matter. A few years ago, we took under our wing no less than eight of the County Banks, all at one time. These Banks were not acting under the ordinary 1863 Act, but were separate Banks, and did not grant the facilities to the public that a larger Bank did. Since then they have increased very largely. In one of these Banks the deposits amount to nearly £200,000, another has £150,000; some are

smaller, but all have a Special Investment Department. At the time we took over these Banks, their trustees were incorporated with the managers of the Central Bank, and they exercise influence with the residenters in their several districts. I think our experience would be helpful in considering amalgamation. All the little Banks look to the Head Offices for support and encouragement in their work. (*Applause.*)

Mr. T. A. WELTON, London, member of the Inspection Committee.—I need hardly say that the extract quoted from the Report of the Inspection Committee shows that they are in sympathy with the movement of amalgamating in every case, but we feel that the small Bank must ask for the amalgamation, and that anything like coercion is to be deprecated. I believe that the great majority of the smaller Banks will profit by grouping. The best illustration to take is the branches in Edinburgh and Glasgow. It is not supposed that each of these would be as well managed alone as they all are under the excellent management of the chief office. The result of grouping in that case is very similar to the result in the case of Chester, and I have not the faintest doubt that economy and public facilities will be promoted in that way. The benefit of a Special Investment Department is also very much to be desired, and would help the finances of the Bank very much. I am exceedingly glad that this meeting approves of the recommendations, and we hope amalgamations will proceed to considerably greater lengths than hitherto. (*Applause.*)

Mr. KNOWLES, Chester.—I should like to support what Mr. Crane has said. The first point that struck us in forming this amalgamation is the increased interest we get in the Special Investment Department. It makes all the difference in the world in our profits. The difficulty we find in amalgamating branch Banks is as to proportional representation. This Association should take into consideration what the

proportion of capital is to give representation. There are other things the Trustees have no experience of. It would have been different if we were dealing with Scotland. I look upon Scotland as the finest country in the world from a financial point of view (*Laughter*), and the Scotch Banks are looked on by the English Banks as the best managed in the world. I should like to know the opinion of the Actuary of the Glasgow branch. We want an Actuary to have a good knowledge of financial law. The legal questions raised as to local investments are of very serious import. Every loan should be examined by a solicitor to see whether it is in proper form. The Government will not accept any responsibility as to the security of local investments, and on this point we should have legal assistance. I feel very strongly on this point, because it is a very serious one, and we should be very careful of it in any new development. Mr. Crane has exceptional knowledge, and is full of enthusiasm, and as Trustees, we want all the advice we can get as to the right thing to do. A short time ago I thought that as we had an efficient staff, we should pay them well. We increased the salaries, and the result was that the Inspection Committee wrote to say that we had been wrong. On what scale are we to pay? We can afford to pay our staff well, and the Inspection Committee say we are not to give these salaries. It is important that you should appoint a Special Committee to answer all these questions, as the Trustees will appeal to you to help them over these difficulties. (*Applause.*)

Mr. ROBERT CORBET, Joint-Actuary, Glasgow Savings Bank.—We have in Glasgow occupied the whole district and neighbourhood with branches of our own. Our policy for a number of years has been to start a branch practically every year, because our city has increased so much, especially in the outer districts. A very good principle in starting Savings Bank branches anywhere is the commercial principle.

Don't start one unless you think it will be self-supporting. You should arrive at an idea of the population and the number of depositors—one in four or five of the population —and see if the profits will meet expenses. Don't start a little office in a place where a Branch will be in a dying condition, because the Post Office can occupy country places that won't pay. (*Laughter.*) Put the Trustee Savings Bank in cities where there is a great amount of temptation, and where you require to push business. That is the object of Trustee Savings Banks. There are a good number of places round about Chester, and these have been amalgamated and made into one large Savings Bank. We have Paisley seven miles from Glasgow, and if we talked of amalgamation with Paisley, or asked them about it, there would be a riot. (*Laughter.*) The Paisley Savings Bank is well managed, and the Paisley people are very patriotic; they would tell us that they don't require amalgamation. A Bank can be made self-supporting in a town of 20,000 or 30,000 inhabitants, but it is a mistake to open a branch where there are under 5000 or 10,000 inhabitants. Don't open in a place like that, because in those places the Post Office Savings Bank gives facilities and is established. It has been forty-nine years in existence, and we are not in opposition to the Post Office because we have the same object. Some questions were raised by our friend here, and if he puts them down on paper, we shall be glad to advise about loans and so on. We shall give the questions some consideration, but they are for a small meeting, and for a solicitor like Mr. Tatham. (*Applause.*)

Mr. JOHN HEPPER, Leeds, member of the Savings Banks Inspection Committee.—I am entirely in accordance with the view brought forward as to the amalgamation of the Banks. We have found in Leeds that there is great strength in amalgamation. We have also found that the

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Preston Savings Bank
(Photo by Busby, Preston)

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(Photo by G. V. Yates, Sheffield)

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(Photo by Chidley, Chester)

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Carlisle Savings Bank
(Photo by F. W. Tassell, Carlisle)

establishing of a Special Investment Branch of the business in each of the branches has been the means of increasing the usefulness of the branch, so that each branch is granting to depositors the same advantage as the Head Office has given. That has extended our usefulness considerably. I don't see any reason why, if smaller Banks are not amalgamated with larger ones, they should not participate in the Special Investment Departments. It will strengthen the Banks. A gentleman wanted to know what was to be the minimum at which a Bank should be called a small Bank. I don't myself attach any importance to a money minimum. I believe that a small Bank is managed by small minds that cannot see beyond their small circle of influence (*Laughter*), and therefore they cannot grow. That is my view of a small Bank. A large Bank may be small in minds to start with, but it may have large-mindedness in its management. (*Hear, hear.*) If you find a large Bank managed by small minds that cannot think largely enough, that is the Bank to be amalgamated by those dealing with larger affairs. These would grow and find the benefit of it, and the area of the Savings Banks would be greatly enlarged in influence as well as in the collection of money. I think, therefore, that this method of amalgamation is worthy of the very careful consideration of all Banks in the country. The Inspection Committee may delicately recommend. It may occur to other people that they would like to amalgamate, and by one means or another we may draw them together and strengthen those who need the help. The small Banks, with under £200,000, which cannot have a Special Investment Department, cannot give to the small savings what they would otherwise get. In Leeds we were acting under a most disadvantageous Act of Parliament. Our securities in the Investment Department cost us so much that we could not make a profit, and we were giving to new depositors

what we should have given to older ones. We reduced our interest from 3½ per cent. to 2¾, and when we saw we were to be landed with a great many investments at a high cost which we could not realise, we reduced our interest to 2½ per cent. in the Special Investment Department. We were able by that means to increase our Reserve Fund, and, under Act of Parliament, we gave 3 per cent., and now our Special Investment Department is giving 3 per cent. It is depleting the other department, but it has had a great influence in the increase of the Bank, and has brought thousands of pounds into its coffers. If that is the experience of one Bank, it may be to the interest of smaller Banks to amalgamate, and I support the amalgamation of Banks most heartily. (*Applause.*)

The PRESIDENT.—We have present with us to-day Mr. W. Herbert Phillipps from South Australia, who will give us his experience.

Mr. W. HERBERT PHILLIPPS.—As a native-born Australian, I must say I feel it to be a great privilege to be here to-day to look on the face of the representatives of that great nation from which we, in Australia, have sprung, and on whose ideals we are building up, we hope, a new nation which will be worthy of the old nation from which we have sprung. (*Hear, hear, and Applause.*) We have endeavoured, as far as we can, to follow your ideals in this matter of Savings Banks, and I hope we shall be able to show you that we have been very successful indeed. I am here specially to represent South Australia, having been Chairman of the Savings Bank of that colony for a number of years, and I have been asked also to represent the States of Victoria and West Australia. In South Australia, with a population of about 410,000 people, we have in our Savings Bank, which is a Trustee Bank, nearly 200,000 depositors. The proportion is 44 per cent. of the whole population, including men, women, and

children, which I think is remarkable (*Applause*), and I may say that the Savings Bank is not the only thrift institution, because we have the Friendly Societies and other institutions working in the same direction. The depositors were growing so rapidly, that when I return the total funds in that institution will have reached seven million pounds. (*Applause.*) Without going further into details as to the progress of the Bank, I should like to refer to some questions referred to to-day. As to income tax, it has been recognised by our Government that, in the interest of the State, everything should be done to encourage thrift, and for that purpose the Savings Bank does not pay any income tax at all, on the general principle that it is helping the general community. We have permission, under Acts of Parliament, to invest on mortgages of real estate up to one-half. Our people are so well off that we cannot get up to that, but our total securities when I left amounted to £1,600,000. (*Applause.*) We hold no foreclosed properties, and there was no interest whatever outstanding in our last Balance Sheet. We limit our loans on the valuation of our own valuators or those nominated by us. In special cases we exceed that to some extent, and no depositor is allowed to deposit more than £500, but we discourage that by giving no interest on sums over £250, because the general idea is that our Bank is not an investment institution, but simply to encourage thrift, the idea being that as soon as a man has accumulated a little money to give him a start, it is for him to hand it over to some institution to invest in Government bonds or other investments of that kind. Since we adopted that principle, it says a great deal for the institution that we have accumulated so much. We found that as the population increased in various centres it was becoming extremely difficult for the Post Office to give the facilities and advantages required by the large population,

and in moving about my own State, I saw with my own eyes, in visiting Post Offices, that when postmasters were busy closing mails and so on, the depositors had to wait, and it was particularly inconvenient for those coming in from country districts, for it seriously hampered the business, and we determined to open branches in the larger districts. Our first branch was opened with great hesitation, but we estimated that if our volume of business reached a certain figure in twelve months we would be justified in what we had done. In three months we reached what we anticipated in twelve months, showing the necessity provided by this branch, and so we have gone on building branch after branch. (*Applause.*) It is not long since we started. There were seven when I left, and two more have been decided upon. When we build these branches, we associate the Post Office branches in a certain area by post and otherwise. The branches have to communicate with the central Post Office, because our communication is not so rapid as yours is ; but by creating our branch a centre for a small district, we can give these facilities. We find that the managers of these branches are always meeting with the farmers in these districts, and they say, ' We can lend you the money you require for extending your operations,' and that saves them coming to the towns from the country. We pay not a fixed rate of interest to depositors, but according to what we make, and we have been able to return to them as much as 4¾ per cent. Of late we have been giving them 3¼ per cent., partly because the interest on money has fallen, and partly because we feel that to endeavour to give a higher rate would be to draw away money from the public Banks and other investments, and this is better for the community. We have built up a reserve fund of £210,000. (*Applause.*) We made a recent departure which is of some importance. We knew that we had no shareholders and no capital,

and were not guaranteed by the Government, and that even if we were guaranteed, the Government would only give an extension of time in the case of a crisis. We felt that that was not what the Savings Banks wanted to do, because the poor people, in the case of a war, would not want a promise that their money would be paid to them six months hence. The condition brought about in the community by a great crisis would lessen the demand for labour, and we put ourselves in a position to give them their gold at once in case of need. We have created a gold reserve amounting to £185,000. That may seem like a sacrifice of interest, but our manager has shown that the loss of interest is only three-tenths of a penny per pound per annum, which is a great assurance for the convenience given. Under the old conditions, we found it necessary to keep a very large floating balance at our branches, which might not be forthcoming, so that we are not losing this three-tenths of a penny on the amount deposited ; and by taking care that there is security and ability to supply their needs in a crisis, we are doing what we can in the interests of our depositors. In Victoria, where there is a population of nearly 1,300,000, there are fourteen million deposits. In Western Australia, which is small compared with the others, they have deposits of about three and a half million pounds. This will give you an idea of the great help that Savings Banks have been in Australia, over a very large area and a widely scattered population. (*Loud applause.*)

The President then called upon Mr. DAVID MITCHELL, Managing Trustee, Savings Bank, Sydney, New South Wales, who said : I feel it incumbent upon me to say a few words to this very fine gathering, at which I am very proud to be present, having come a long way, because I represent the mother Savings Bank of Australia. The Savings Bank of New South Wales, as the nucleus of the

present institution, was formed some nine years after Savings Banks were started in Scotland in 1810, and I am proud to say founded by a Scotsman, of which nation I am glad to say I am one myself, although I left my native place, Glasgow, when I was only about five years of age, in order to give room for those who were coming after me. Our institution was established in 1832, and has gone on in an uninterrupted condition of success, until it now has total funds of over seven millions of money, with 123,000 odd depositors. It is very similar to other Savings Banks. At all events those in other Colonies copied our constitution, and it is very similar to the Bank which Mr. Phillipps has described. We invest on mortgage on real estate, which we can do up to one-half of the amount of our deposits, and our total is £1,200,000, so that we can invest a larger sum. We pay a larger rate of interest than any other Savings Bank in the Colonies. It is regulated by the amount we make every year, and it is 3½ per cent. at present. We have paid as high as 6 per cent., and 5 per cent. was the rate for a number of years, but at that time we were getting 7 per cent. on our investments; 3½ per cent. is a half more than is given by the Government, and their total deposits are thirteen millions, so that makes a total of twenty-one millions in New South Wales, the largest amount of deposits in the Colonies. Our population is one and a quarter millions, so that we stand very high indeed in comparison with the amount per head of the population. We are governed by the Trustees, who are appointed by the Government. That is a different mode from what I find exists in Great Britain. There are eighteen Trustees. One of the largest branches we have has over a million deposits. We erected a building a short time ago that cost something like £10,000, and we are now erecting branches throughout the country where business warrants their erection. We are not in competition

with the Government Savings Bank, although efforts have been made to amalgamate with it. Amalgamation is a bogy, but not to the same extent as I have heard mentioned here. We are entirely exempt from income tax. It has no connection with our business at all except as to mortgages, and it applies only to the mortgagors, or where properties unfortunately come into our hands. I cannot say we have no properties foreclosed or no interest outstanding, but it is the experience of every lending institution, that loss is sure to ensue in connection with investments of that nature. (*Loud applause.*)

Mr. KNOWLES, Chester.—Is it a fact that the Joint Stock Banks in South Australia do not lend money on real estate ? In Canada they do not.

Mr. MITCHELL.—Oh, yes. I might also say that under our Constitution we have to put to our Reserve Fund a sum of not less than one-twentieth of our interest, and we have now £400,000 at our Reserve Fund, but it is not locked away in the cellars, as that of our friend Mr. Phillipps is. (*Laughter.*)

The PRESIDENT.—We thank the gentlemen from Australia for the very kind way in which they have given us the very interesting information regarding their Banks. Of course there are very great differences between what the Savings Banks in the Colonies do, and must experience, compared with those in an old country like this. The Colonial Banks are partly of the nature of Land Banks, lending up to half their deposits to farmers and owners, and they can do business which we are expressly forbidden to transact. It is only the larger Savings Banks in England that have a Special Investment Department, and invest any money of the depositors, and one of the conditions under which our English Banks carry on their Special Investment Department is that they must not lend any money in land mortgages. It is only lately that we have been able to lend money to Corporations on the security of

the rates. We were very much hampered for some years by the Act of Parliament, which restricted our investments to Trustee Investments (other than mortgages on land), and when we found, some months after the Act had been passed, that ordinary loans to Corporations were not Trustee Investments. That hampered us, because it compelled investments to be made in securities of a fluctuating nature such as Consols, Railway Debenture Stocks, and other high class investments. Many Banks have since suffered from finding that their securities have largely depreciated in value. It is uncomfortable to think of the price of Consols now compared with what they were ten years ago. Ten years ago one had to pay 112 to 115, and now the price is 82 or lower. We have been discussing the amalgamation of larger and smaller Banks, and the question is whether they should have branches or not. The trouble at Chester, where they have carried out several amalgamations in the neighbouring Welsh towns, has been considerable, because, in the first instance, the original Bank in each town has a feeling of its own independence. You have to make them think that they are not to be submerged altogether. There will be one big Bank with its Central Office in the largest town, and branches in the smaller towns. In some cities like Glasgow, they have taken the better way, and have foreseen what was likely to be wanted by established branches in towns around them. I understand they never had small Banks in the neighbourhood of Glasgow. They started in the beginning with branches where the population was large enough, so that intending depositors could at once deposit in a well-known Bank without that second thought which so often deflects deposits from Savings Banks. We have all known that if the wife has something on Friday night which gets into the Bank, it is seldom disturbed, but if she had to wait until she goes into town on Monday or Tuesday,

there is a poorer chance for the intended deposit ever reaching the Bank. (*Laughter.*) In a new country like Australia, they don't want to encourage deposits beyond a certain amount, and they don't pay interest on more than a moderate amount. That is the feeling also here, but in an old country like this there are a great many people who, after a life of carefulness, have saved money but cannot trust themselves to start a new business nor learn where else to invest their money, and it is a great help to such people to open a Special Investment Department, and so receive more than £200 from each. We can do something that will almost amount to an old age pension. At any rate, we can help them to provide an increased nest egg that will keep them from the 'house.' I like to think that the Bank is often the last resource, and that they have to go to it till the workhouse stares them in the face. We must consider the differences between our old country here, with its long-continued habits and industries, and a new country, and we must consider the difference in a successful place like Glasgow, where they have never had competing Banks in their neighbourhood, and Chester, where they have been able to join with their neighbours and make one successful Bank. Each country and neighbourhood differs in its own way. The Chester Actuary has asked a good many questions, but every place and every amalgamation must stand on its own feet, and the particular district must be considered. Some branches have such an enormous number of trustees that if they had more they would not get into their board rooms. (*Laughter.*) Others, again, have become almost one-horse affairs. We want a happy mean between the two. Where a Bank wants to be successful in any town, the managers should include representatives of all classes and trades, and as many influential people as possible connected with the place. (*Loud applause.*) I will now put the resolution to the meeting.

The resolution was agreed to unanimously.

NEW MEMBERS

Mr. FRANCIS FULLERTON, the Treasurer.—I have to submit to you applications for membership from fifty-five Banks. (*Applause.*) Will you permit me to thank you for the honour you have done me this morning by again electing me the Treasurer of this Association? I assure you it is a great pleasure to me to be connected with the Association so long, and to be your Treasurer. My connection with the Savings Banks having now extended to nearly half a century, the time is arriving when I shall have to make room for a younger and more energetic man. (*No, no.*) The number of Banks associated is now one hundred and twenty-eight, and I have pleasure in moving that the Banks on the new list be elected members of the Association. He concluded by reading the list.

The PRESIDENT.—It is very satisfactory that the work we have done has encouraged so many more Banks to come into unison and to work with us.

The motion was agreed to unanimously.

Mr. L. D. STEWART, the Secretary.—I should just like to thank the meeting once more for the honour of having elected me Secretary, but I also say that the time has almost come for a younger man to take over the duties. (*No, no.*)

Mr. R. A. DREAN, Belfast.—We have to-day had the privilege of hearing English, Scottish, and Australian delegates. We have met in the historic city of Edinburgh, and I congratulate the Association on its good fortune. We are much indebted to Mr. Cargill, who has arranged matters so satisfactorily, and I move that we tender to him our hearty thanks. (*Applause.*) I think we ought also to tender our best thanks to Mr. Stewart and Mr. Fullerton for the very satisfactory work they have done during the past year. (*Applause.*)

Mr. F. P. DIXON, Carlisle, seconded the motion.

The PRESIDENT conveyed these votes of thanks amidst loud applause.

Mr. SYMONS, Manager of the Savings Bank, Dumfries, thanked the Association on behalf of the Banks for asking the delegates to attend the meeting.

The PRESIDENT.—I think we ought, as an Association, very cordially to thank the Merchant Company for giving us the use of their hall to-day. (*Loud applause.*)

Mr. PARK.—I move a vote of thanks to the President. He does not set the same example as the Hon. Secretary and Treasurer do by saying that the time is coming when he shall retire, because we do not intend that he shall retire. (*Loud applause.*)

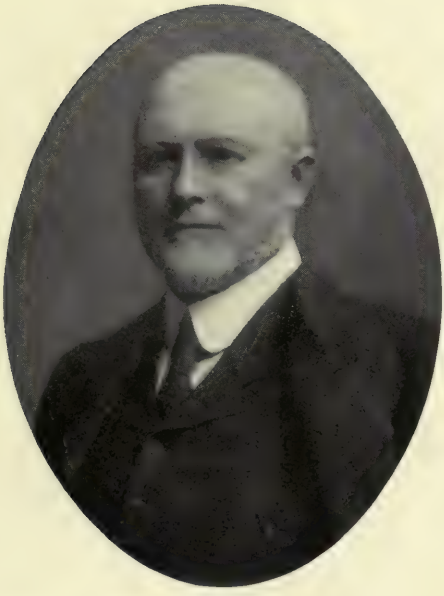
The meeting then terminated.

LUNCHEON BY THE MERCHANT COMPANY

THE Master, Treasurer, and Assistants of the Edinburgh Merchant Company gave at one o'clock a luncheon in their Board Room to the official members of the Trustee Savings Banks Association and other delegates.

The Master (J. L. EWING, Esq.) presided, and among those present were—Mr. Lorimer, Treasurer of the Merchant Company ; Mr. Heron, Secretary of the Merchant Company ; Mr. John Nicholson, Chairman of Edinburgh Chamber of Commerce ; Sir David Paulin ; Sir Albert K. Rollit ; Mr. W. S. Cameron, Secretary Inspection Committee, London ; The Hon. John Kidd, Australia ; Mr. David Dickson, Edinburgh Savings Bank ; Mr. L. Tatham, Chairman Trustee Savings Banks Association ; Mr. W. P. Park, Chairman Preston Savings Bank ; Mr. Corbet, Glasgow Savings Bank ; Mr. Stuart Patterson, Philadelphia, U.S.A. ; Mr. James Thin ; Mr. J. P. Croal, Editor of the *Scotsman* ; Mr. John R. Findlay ; Mr. Herbert Gunnison, U.S.A. ; Provost Lennox, Dumfries ; Mr. L. D. Stewart, Manchester Savings Bank ; Mr. David Mitchell, Managing Trustee Sydney Savings Bank ; Mr. Alex. Mackenzie ; Mr. Stanley Tollit, Newcastle Savings Bank ; Mr. James Cormack ; Mr. John Mallaband, Sheffield Savings Bank ; Mr. John W. Ramage ; Mr. George Anderson, Preston Savings Bank ; Mr. Francis Fullerton, Hull Savings Bank ; Mr. John Macniven ; Mr. Henry E. Crane, Chester ; Mr. H. J. Blanc, R.S.A. ; Alderman Woolley and W. Wilkie Jones, Lambeth.

Apologies for absence were received from Mr. George M. Wood, Chairman, Mr. Alexander Cargill, Actuary, and Mr. Jonathan Baxter, Cashier of the Edinburgh Savings Bank.



JAMES L. EWING, Esq., J.P.
(Master of Edinburgh Merchant Company, 1907-1910)
Member of Committee of Management
Edinburgh Savings Bank

THRIFT IN SCOTLAND

After Luncheon, the MASTER, having proposed the toast of 'The King,' extended a welcome on behalf of his colleagues and himself to the Members of the Trustee Savings Banks Association. There had always been, he said, an intimate connection between Savings Banks and the Edinburgh Merchant Company, for, by virtue of his office, the Master became *ex officio* a Manager of the Edinburgh Savings Bank, which was the oldest statutory Savings Bank in Scotland. The Merchant Company had not been identified with banking; but very early in its history, imbued with the virtue of saving which belonged to the Scottish people, it established a Widows' Fund which had prospered, and was still prospering. He thought it very fitting that this centenary of Savings Banks should be held in Edinburgh, because Scotland, if it was associated with anything, was pre-eminently associated with thrift. It was not wonderful that that was so, for, at the time of the founding of the Merchant Company in 1681, Scotland was a very poor country; it was by reason of the hard life which the people had to live that this virtue of thrift was engendered among them, which had given the Scottish people the high place among the nations of the world. (*Applause.*)

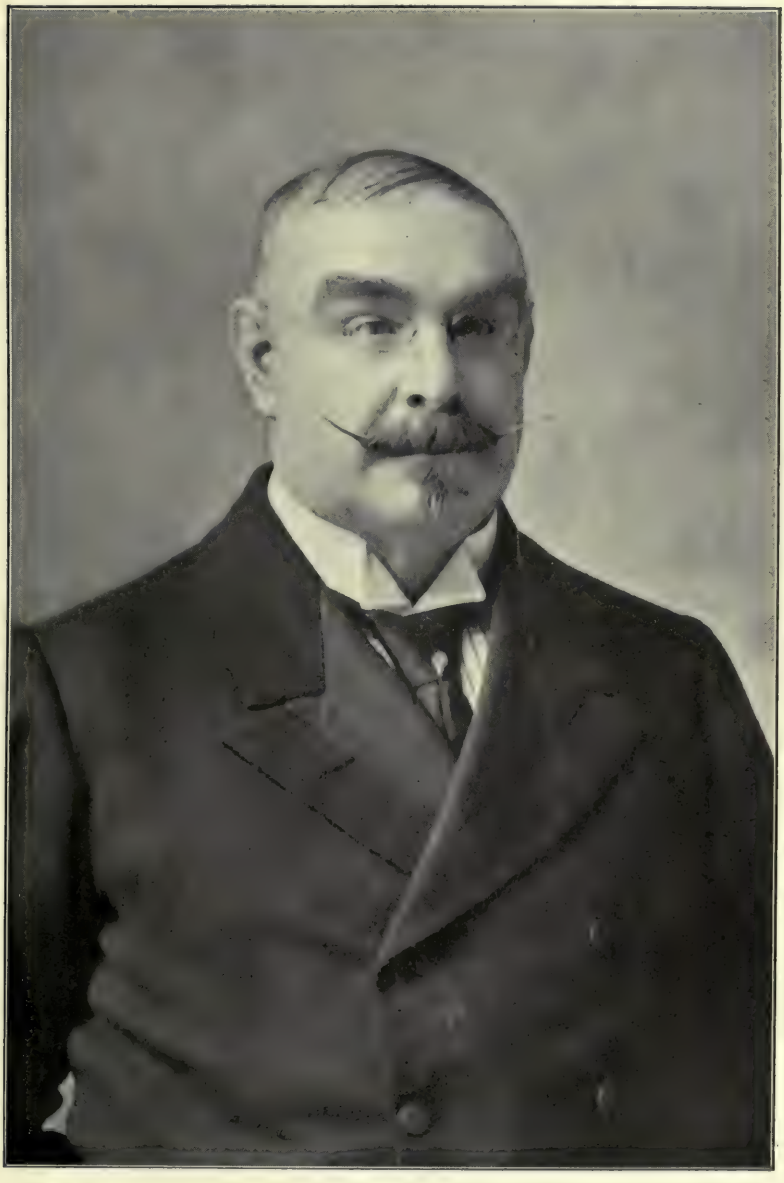
The business of their Association was, he understood, of a three-fold character. In the first place, they had to keep a strict watch on the predatory instincts of the Government (*Laughter*), so as to take care that they did not in any way grab their money or interfere with the interests of their depositors; they had to look carefully after their depositors —the men and women who had, with the utmost confidence, entrusted their savings to the keeping of the banks, and, perhaps the greatest of all, they had to labour for the promotion and encouragement of that great virtue of thrift without which no nation could prosper. (*Loud applause.*)

Mr. LEONARD TATHAM, President of the Association, replied, and thanked the Merchant Company for its kindly welcome and splendid hospitality.

THE GUESTS

The TREASURER (Mr. George Lorimer) gave the toast of 'The Guests,' and said the Merchant Company had never had greater pleasure in welcoming to their hall a body of gentlemen so distinguished as their present guests. (*Applause.*) As Scotsmen they had a very friendly feeling to every one and to everything that helped to foster the gift of thrift, which was at one time indigenous to the Scottish character, though how long that would continue in the days of old age pensions and the different doles they heard of now, he did not know. (*Loud applause.*)

In responding, Sir ALBERT KAYE ROLLIT, Chairman of the Inspection Committee of Savings Banks, said it was an unexpected, but none the less real, pleasure to be one of the guests of the ancient Merchant Company of Edinburgh ; with which, indeed, he claimed kinship and fellow-feeling as an Elder Brother of the Trinity House, also an old Religious and Trade Guild, and as a Freeman of the City of London, and a member of the Shipwrights' and Carpenters' City Companies. As a great traveller himself in both the old and new worlds, he had every sympathy with their Company's motto : 'Terraque marique,' to which, in these flying days, they must almost add 'aeroque.' (*Laughter.*) Sir Albert Rollit also expressed the pleasure it gave him to meet so many eminent Edinburgh men, and especially such as were interested in both education and commerce. In modern times the basis of business was knowledge ; mind was master of matter ; and, like individuals, the fittest nations would survive in the commercial competition ; while, more than ever, it was necessary to that fitness and



SIR ALBERT KAYE ROLLIT, LL.D., D.C.L., D.Litt.

Chairman, from its creation (1891) till the present time (1910), of
The Trustee Savings Banks Statutory Inspection Committee
London

(*Photo by G. W. Austen, London*)

survivorship to unite commerce and culture in its highest and widest forms, a thing which had never been neglected by academic Edinburgh and the Scottish Universities, in equipping their alumni not only with the sword and spear of the gladiator, but with the most modern weapons of intellectual precision, armed with which they had mostly taken their course due South. (*Laughter.*) But their Northern hospitality to their Southron guests had gone far to equalise matters. His own shipping firm had once an old captain of whom it was said that he had a private arrangement with his ship's steward, that when, in company, he whispered 'A little more Northerly,' the steward was to add more whisky to his glass; till, one day, when the whisperings had been very frequent and were becoming less and less articulate, the steward himself bent down and whispered to the captain, 'Hang it, sir, it 's due North.' (*Laughter.*) Well, leaving out the expletion, he would say for the guests that from the first their hospitality had been 'due North,' in mountain dew, and in every thing. (*Laughter.*) Among the guests were members of the Savings Banks Association, which had been meeting that day, under the able presidency of his friend Mr. Tatham, the Chairman of the Manchester Savings Bank, and he felt that the whole country was indebted to that organisation, and especially to those connected with it who were trustees and managers of Savings Banks. There was no class more attractive to the depositors, and none in whom they reposed higher confidence. He did not, and never would, forget that the Association had presented him with his portrait by Sir Hubert von Herkomer, in recognition of his twenty years' work for the Savings Banks as Chairman of the Inspection Committee, between which and the Banks generally the most harmonious relations had always prevailed; and, though the Inspection Committee had been compelled, very occasion-

ally, to criticise, and even censure, and in one or two exceptional cases to report and close Banks, still the increase, since its appointment, in the number of Banks and Branches, and, still more, of the depositors and of the deposits, showed that supervision and such eliminations had strengthened public confidence in the Banks, and given them a new departure and a renewed long lease of power, progress, and public utility. (*Applause.*) And, therefore, when, some years ago, there was a run upon the Manchester Savings Bank, the depositors showed common sense, and, by inter-Savings Bank action, and the energy and business ability of the Chairman and Actuary, not only was any panic stayed, but the Banks showed that their business-like organisation and management was equal to such an emergency, and that the proposals of people who knew practically little or nothing about Savings Banks, to compel the Government to keep a reserve against such withdrawals—ultimately and inevitably at the expense of the depositors—was superfluous so far as those Banks were concerned, however necessary it might be in commercial crises to support Commercial Banks, and other more or less speculative houses, which the Savings Banks were not, and could not be, since their deposits were compulsorily taken and safeguarded by the Government. (*Hear, hear.*)

He was also particularly glad to respond for their foreign guests, leaving to his Australian friend, the co-respondent (*Laughter*), to reply for their Colonial visitors, to whom a reference had been made by a previous speaker, upon which he would only observe that if some few of the earliest Colonists of Australia left their country for their country's good, he, as a Yorkshireman, was proud that the first of all, that eminent Yorkshireman, Captain Cook, a great seaman, circum-navigator, and scientist, gave his life for the mother- and the daughter-land. (*Applause.*) It was an excellent

thing to expand our ideas and knowledge of international life. He knew no country who knew no country but his own. In the Savings Banks they had nothing but peaceful and honourable rivalry, and he was glad to see with them at this celebration in Edinburgh friends from the United States, France, Holland, Belgium, Switzerland, and other countries, as well as from Australia, New Zealand, and others of our own Colonies, from an Empire which was set in the inviolate sea, which had no boundaries—not even those which an American boasted of as limitless when he said, 'My country is bounded by the pathless Ocean on the East, by the E-qui-nox-es on the South, by the Au-ro-ra Bo-re-a-lis on the North, and by the Day of Judgment on the West.' (*Laughter.*) He had found in all countries that the people loved their Savings Banks, and, for himself, he had not only been able to buy books out of the first deposits made for him by his godfathers and godmothers in the Huddersfield Bank—just as one depositor had said that he bought the first overcoat he ever had out of his Bank Savings, and a coat is good, and better than a coat-of-arms, especially when a man has got no coat to his arms (*Laughter*);—but both there and in Hull he had cherished his Savings Banks books, and had been most loath to part with them when they had answered their purpose in helping to save in order to spend. This might be sentiment, but the fact was a great reality, and explained the attachment of the Scottish people to the Trustee Banks rather than to Officialism, as evidenced by new Banks and Branches, and the largest deposits in the United Kingdom. (*Applause.*) Recurring to his books, and the overcoat, he said no one could do a child a better service than to open an account for it in a Savings Bank ; it was often the first step to business and to such membership as that of their great Merchant Company (*Hear, hear*) ; and, in Hull, his wife, when Mayoress, had found opening such

accounts a good and stimulating form of prizes in the Public Elementary Schools—and a very great percentage of the depositors are children—a help to good habits and so to good character (*Hear, hear*), and one way to escape the fate of that one, and most exceptional, depositor who, when asked his occupation, said much in three words : ' Alas, an idler.' (*Laughter.*)

As to the Savings Banks themselves, they were prosperous and progressive, and their chronicle in Great Britain had earned for the Inspection Committee—which had sent a British Savings Banks' exhibit to the Milan International Exhibition — the Grand Prix and two Gold Medals, while the exhibit itself had been, at the request of the Italian authorities, placed permanently among the archives of the City. Moreover, the Banks had been the pioneers of annuities, old-age pensions, State insurance against non-employment, and Invalidity, Thrift and Credit Banks, and other social developments. (*Hear, hear.*) And yet, in some respects, the Savings Banks could be improved. Greater facilities, more branches, some amalgamations,—strengthening the smaller Banks, and, indeed, both small and large,—the extension of the number of the Special Investment Departments, the authorisation of the use of cheques, power to pay in all moneys received for accidents, under the Workmen's Compensation Acts, as urged from the Bench by certain of your Scottish Judges, and an increase of the amounts which may be deposited annually and in the whole —all these would be great and useful reforms. (*Applause.*)

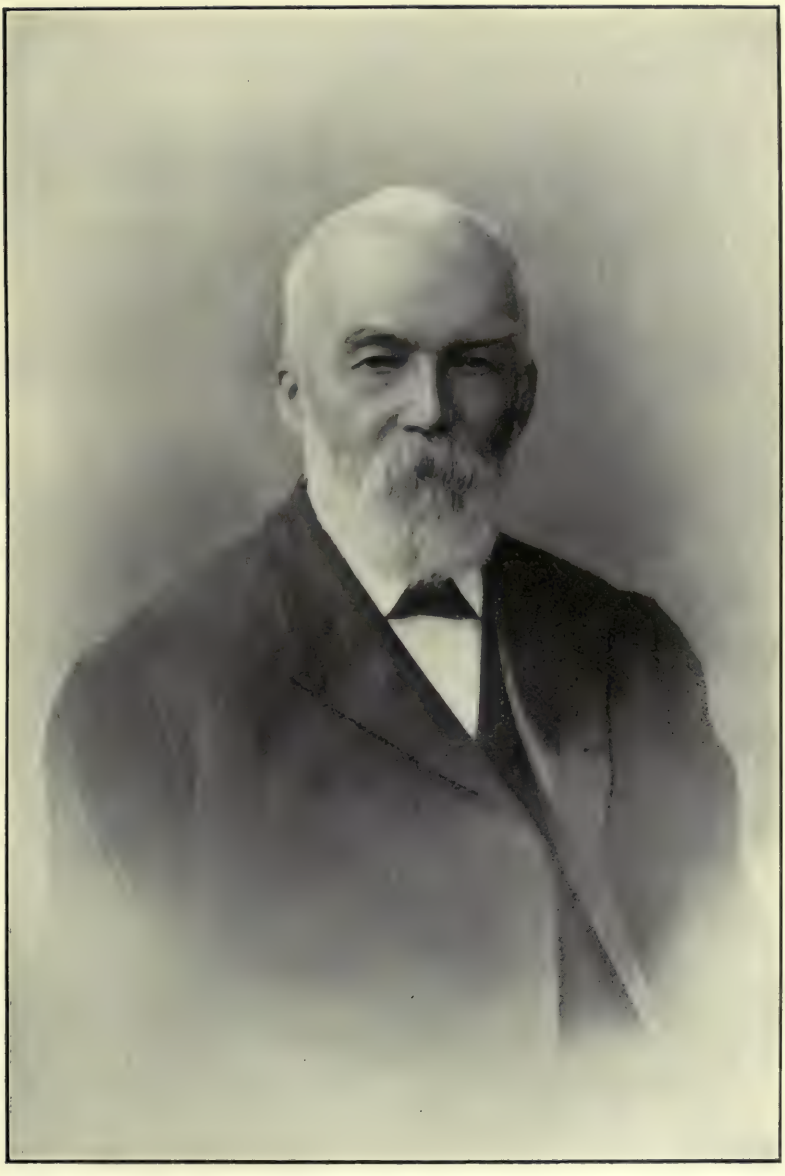
Once more, thanks to their Merchant hosts. He had thought the Academics of Edinburgh cultivated literature on a little oatmeal (*Laughter*) ; but he had found out his mistake and, as it had been said that figures could prove anything, he was beginning to fear that their guests' figures would, on their return home, be conclusive proof of the

continuous hospitality they had enjoyed. (*Laughter.*) But all things must have an end, even hospitality and post-prandial speeches. This reminded him of the two Scotsmen who had been dining too well. One of them, the host, at last said : ' Noo, Saundie, ye maun gang. Be careful hoo ye gang doon the steps, for they 're steep. And be veraa carefu' hoo ye tread the garden path, for it 's slippery. And —when ye hae got to the gate ye 'll see twa cabs. Tak the first of them—for the other 'll no be there.' (*Laughter.*) It might well be that in his heart he saw double their kindness to their guests, but their gratitude and thanks were proportionately increased. (*Loud applause.*)

THE LABOUR PARTY IN AUSTRALIA

The Hon. JOHN KIDD, New South Wales, in his reply, said he was born in a part of Scotland where thrift was very much engrained into him from necessity. In his early days he belonged to what they called the ' mass ' of the people—the working class—and sixty years ago they had a hard struggle to make ends meet. But they always managed, by careful thrift, to give their children some little education, and a Sunday suit in which to attend church ; and it was a great gratification to them that they were able to do it. He was taught, as part of his early training, not to be jealous of other people that had abundance (*Applause*), to respect whoever was in a station above them—that was a Scottish characteristic of his day ; and, however poor and struggling they were, never to be jealous of those who had more of this world's goods than themselves. (*Applause.*) He left Scotland when he was eighteen years of age, and when he went to Sydney he had a little banking account in the bank in which he was now a trustee. Like other Scotsmen, when he arrived in New South Wales, he had the ambition to step out a bit and make a position for himself.

Scotsmen get the name of being clannish. He remembered a little incident which might interest them in this connection. Thirty years ago he was nominated for Parliament for the district of Camdin. There were five candidates in the field. He went down to a mining district and interviewed the manager of one of the mines, whose name was Fell. At first Mr. Fell was rather reserved. He did not want, he said, to commit himself till he had heard all the candidates. He (Mr. Kidd) said to Mr. Fell, 'If it is a fair question, what part of the old country do you come from?' 'I come,' was the reply, 'from a place near Montrose.' 'Well,' I said to him, 'I come from a place not far from Montrose, called Brechin.' Mr. Fell thereupon seemed to forget his desire to hear the other candidates. He asked him to dinner, introduced him to his family, took the chair at his meeting, and proposed that he was a fit and proper person to represent Camdin. (*Laughter.*) He simply mentioned that to show that Scottish people were a little clannish, sometimes. (*Laughter.*) He (Mr. Kidd) had been in politics for a considerable number of years. He had had the honour of being in three different offices. He had been Postmaster-General and Minister of Mines and Agriculture, so that he had had considerable experience of Australia. He should like to say in passing that a great many people had the idea that now that the Commonwealth of Australia had a Labour Government, things were not going to do so well, and that things would be done by that Government which would prevent capital from being invested in Australia. There was no necessity for that fear at all. He knew most of the Labour leaders personally, and a more upright body of men did not exist. The Labour Party had got men equal to any Cabinet that ever governed the country. A great many people had the idea that the Labour Party and the Socialist party were the same. That was not so. He could illustrate



THE HONOURABLE JOHN KIDD, J.P.
DELEGATE REPRESENTING SYDNEY, NEW SOUTH WALES

(Photo by Moffat, Edinburgh)

that by an incident which occurred before he left Sydney. Three members had to be elected for the House of Representatives, and each party had its own nominees. There was no arrangement among them. The Socialists insisted on going to the poll, and only got 7000 or 8000 votes. The Labour party had about 240,000, and the Liberals about 50,000. The Socialists were too extreme, and the Labour party would have nothing to do with them. The Socialists in New South Wales did not, in his view, represent more than a half per cent. of the whole electorate. Mr. Fisher, now at the head of the Government, is a Scotsman, who at one time worked, he believed, in a mine in Fife. He had proved his fitness for office, and was giving every satisfaction. He (Mr. Kidd) mentioned these things just to show that no one need be afraid to invest capital in any part of the Commonwealth because they had a Labour Government. Things were as well managed, and everything was as successful as they could be under any other set of politicians in the country. (*Applause.*)

Mr. ROBERT CORBET, Joint-Actuary of the Savings Bank, Glasgow, proposed the toast of 'The Merchant Company,' which was replied to by the Master, who mentioned that he came from Dumfries, the county in which Dr. Henry Duncan established the first Savings Bank one hundred years ago.

EXCURSIONS

In the afternoon excursions were organised to Dalmeny, to Dalkeith Palace, and in Edinburgh itself from the Castle to Holyrood, and to other places of historic interest. Special thanks are due to His Grace the Duke of Buccleuch and to the Right Honourable the Earl of Rosebery, for granting permission to the Delegates and their friends to visit their respective gardens and grounds.

BANQUET IN THE MUSIC HALL

Thursday Evening, 9th June 1910

IN celebration of the Savings Banks Centenary, a Banquet, under the auspices of the Edinburgh Savings Bank, was held on the evening of Thursday, 9th June 1910, in the Music Hall, George Street, Edinburgh. It was attended by a company of about four hundred gentlemen. Mr. George M. Wood, S.S.C., J.P., Chairman of the Edinburgh Savings Bank, presided.

LIST OF THOSE PRESENT AT BANQUET

Guests.—The Right Hon. the Lord Provost of the City of Edinburgh (W. S. Brown, Esq.) ; The Right Hon. the Lord Justice-Clerk ; Lord Salvesen ; Lord Cullen ; Mr. C. E. Price, M.P. for Central Division of Edinburgh ; Mr. J. Avon Clyde, K.C., M.P. for West Division of Edinburgh ; Provost Smith, Leith ; Sir Albert K. Rollit, LL.D., etc., Chairman Inspection Committee ; Rev. Dr. P. M'Adam Muir, Moderator, Established Church ; Rev. Dr. Young, Moderator, United Free Church ; Rev. Professor Cameron, Moderator, Free Church ; Rev. Principal Whyte, D.D. ; Mr. M. Pearce Campbell and Sir John Ure Primrose, Glasgow ; Mr. Leonard Tatham, Manchester ; Rev. Gavin L. Pagan, B.D., St. George's Church ; Rev. H. Parnaby, Augustine Congregational Church ; Secretary, Free Church of Scotland (W. S. M'Culloch, C.A.) ; President Royal College of Physicians (Dr. W. Allen Jamieson) ; President Royal College of

Surgeons (Dr. Joseph M. Cotterill) ; President Faculty of Actuaries (Mr. James J. M'Lauchlan, F.F.A.) ; President S.S.C. Society (Mr. James S. Burns, S.S.C.) ; Sir George M'Crae, President Local Government Board ; Sir George Anderson, Treasurer Bank of Scotland ; Mr. E. P. W. Redford, C.B., Secretary, General Post Office ; The Town Clerk of Edinburgh (Dr. Thomas Hunter, W.S.) ; The Provost of Dumfries ; Sir Robert Cranston, D.S.O., K.C.V.O. ; Bailie Macfarlane ; Bailie Fraser ; Judge Inches ; Bailie Laing ; Lord Dean of Guild Carter ; Ex-Lord Dean of Guild Wilson ; Ex-Lord Dean of Guild Ormiston ; Councillor John Lyon ; Mr. David Lyon, Depute Town Clerk ; Mr. W. S. Cameron, Secretary Inspection Committee ; Mr. John Hepper, Member of Inspection Committee ; Mr. Stuart Sim, Chief Registrar of Friendly Societies ; Mr. R. W. Armour, late Actuary ; Mr. T. W. M. Watson, C.A., Government Inspector ; Mr. Sylvester Stirling, C.A., Government Inspector ; Dr. Lovell Gulland ; Crown Agent (Mr. W. S. Haldane, W.S.) ; Secretary Merchant Company (Mr. Alexander Heron, S.S.C.) ; Dr. T. M. Burn Murdoch ; Chairman Edinburgh Parish Council (Mr. James Gibson, J.P.) ; Mr. Adam Tait, Manager Royal Bank of Scotland ; Mr. Alexander Bogie, Manager Commercial Bank of Scotland, Ltd. ; Mr. W. Graham, Manager, and Mr. John A. Ingram, Secretary, Union Bank of Scotland, Ltd.; Mr. John Nicholson, Manager Clydesdale Bank, Ltd. ; Mr. J. Milne Henderson, Manager North of Scotland and Town and County Bank, Ltd. ; Mr. Henry R. Brown ; Mr. J. E. Cargill, Goldsmith, etc. ; Mr. J. E. Crabbie, Advocate ; Mr. J. P. Croal, Editor of the *Scotsman* ; Rev. W. Wallace Duncan, Worcester ; Editor of the *Evening News* ; Editor of the *Dispatch* ; Mr. Rufus Fleming, American Consul ; Mr. J. S. Gibb ; Mr. W. M. Gilbert of the *Scotsman* ; Mr. Lewis Grant, Kirkcaldy ; Mr. W. A.

Hyslop, W.S. ; Mr. A. Scott Ireland, S.S.C. ; Mr. Jonathan Lyon ; Mr. George Murray ; Mr. David Patrick, LL.D. ; Mr. Thomas Ross, LL.D., Architect ; Mr. Theodore E. Salvesen, French Consul ; Mr. James Sclater ; Mr. R. R. Simpson, W.S. ; Mr. J. B. Sutherland, S.S.C. ; Mr. Douglas Wood, C.A. ; Mr. D. W. Kemp ; Dr. E. F. Armour ; Mr. James Lovell ; Mr. J. C. Strettell Miller, W.S.; Mr. Walter Anderson (Publisher) ; Dr. J. A. Russell Cargill ; Mr. Charles J. Brown, Chief Engineer, North British Railway; Mr. James L. Gidden; Mr. James Kirkhope; Mr. John Kirkhope; Mr. John S. Pitman, W.S.; Mr. G. Washington Browne, R.S.A.; Mr. T. J. Millar, C.A.; Mr. Walter Oliphant, S.S.C.; Mr. J. Dick Peddie, Architect ; Mr. Alexander Eddington, representing the Press Association; Dr. Lundie; Representative of the *Times* ; Mr. John Mackintosh Bell, W.S. ; Rev. A. Angus (Ruthwell) ; Representative of the *Glasgow Herald* ; Mr. T. H. B. Rorie, C.A. ; Mr. Gordon Douglas, F.F.A. ; Mr. Peter Morison, S.S.C. ; Mr. T. Herbert Craig, W.S. ; Mr. George Neilson, LL.D. ; Mr. William Thyne ; Mr. Gordon Milligan ; Mr. Campbell Robertson ; Mr. F. R. Jamieson.

Delegates from other Countries.—M. le Comte de la Panouse, Paris ; M. Georges Thillaye, Paris ; M. Bellemain, Lyons ; M. Capeyron, Bordeaux ; M. Houtevelde, Brussels ; Dr. Tetrode, Amsterdam ; Dr. Kirberger, Amsterdam ; Dr. Delprat, Rotterdam ; M. Perregaux, Neuchatel ; Mr. David Mitchell, Sydney ; Hon. John Kidd, Sydney ; Mr. W. Herbert Phillipps, Melbourne and Adelaide ; Mr. John H. Upton, Auckland ; Hon. Seymour T. George, Auckland ; Mr. George C. Purves, Philadelphia ; Mr. C. Stuart Patterson, Philadelphia ; Mr. Andrew D. Baird, Brooklyn ; Mr. Cornelius H. Tiebout, Brooklyn ; Mr. William F. Burns, Brooklyn ; Mr. Herbert F. Gunnison, Brooklyn.

Committee of Management of Edinburgh Savings Bank.—Mr. David Dickson, J.P. ; Mr. John Harrison, J.P. ; Mr. Charles E. S. Chambers ; Mr. William Cowan ; Mr. Andrew A. Rose ; Mr. Walter B. Blaikie, J.P. ; Mr. Joseph G. Stuart, LL.D., W.S. ; Mr. James L. Ewing, J.P. ; Mr. R. C. Millar, C.A. ; Mr. Robert Cross.

Trustees and Managers.—Mr. William Anderson ; Mr. Hippolyte J. Blanc, R.S.A. ; Mr. Thomas Callender ; Mr. F. W. Carter, C.A. ; Mr. J. Smith Clark, S.S.C. ; Mr. John Cowan, D.L. ; Mr. Thomas Craig, S.S.C. ; Mr. James H. Cunningham, C.E. ; Mr. Alexander Darling, J.P. ; Mr. Robert Dick ; Rev. W. M. Falconer, M.A. ; Mr. A. G. Forman, W.S. ; Senior Bailie Thomas Geddes ; Sir James P. Gibson, Bart., M.P. ; Mr. R. D. Graham ; Mr. John Grant, J.P. ; Mr. William Grant, J.P. ; Mr. R. C. Gray, S.S.C. ; Mr. Patrick Guthrie, J.P. ; Mr. George A. Harrison ; Rev. J. B. Hastings, D.D.; Mr. Alexander Ingram; Mr. G. Harvey Johnston ; Mr. John Jordan ; Mr. James Kennedy ; Rev. Thomas Kirk ; Mr. Thomas Liddle, S.S.C. ; Mr. George Lorimer ; Mr. D. F. Lowe, LL.D. ; Mr. J. S. M'Culloch, W.S.; Mr. Daniel MacFie; Mr. James F. MacKay, W.S.; Mr. John Macniven; Mr. George Mackie; Mr. Robert Maule, J.P.; Very Rev. James Mitchell, D.D. ; Rev. W. D. Moffat, M.A. ; Mr. Francis More, C.A. ; Mr. Alexander Noble ; Sheriff R. L. Orr, K.C. ; Mr. James Pringle, C.A. ; Mr. A. Spottiswoode Ritchie ; Mr. David Robertson, A.R.S.A. ; Mr. R. A. Robertson, S.S.C. ; Mr. W. B. Robertson, Solicitor ; Mr. A. Ellison Ross, S.S.C. ; Mr. R. G. Scott, W.S. ; Mr. George Somerville, Procurator-Fiscal ; Mr. G. Malcolm Stuart, W.S. ; Mr. J. P. Sym, W.S. ; Mr. J. Pringle Taylor, W.S. ; Mr. James Hay Thin ; Mr. Charles H. Turnbull, S.S.C. ; Mr. William Walker ; Mr. Robert Weir, D.L. ; Mr. W. B. Wilson, W.S. ; Mr. G. Mure Wood, W.S. ; Mr. Archibald Young.

Officials, etc.—Mr. J. B. M'Intosh, S.S.C., Law Agent; Mr. H. Kenward Shiells, C.A., Auditor; Mr. Courtenay J. Shiells, C.A., Deputy-Auditor; Mr. Robert Y. Weir, C.A., Deputy-Auditor; Mr. Alexander Cargill, Actuary; Mr. Jonathan Baxter, Cashier; Mr. Charles A. Moir; Mr. Robert D. Mure; Mr. John H. Young; Mr. Innes Cockburn; Mr. James A. Harrison; Mr. Kenneth J. Stirling; Mr. James Grieve; Mr. William T. Muir; Mr. William M. Wood; Mr. James L. Jenkins, Branch Agents.

Delegates—Chairmen, Trustees, and Actuaries of Savings Banks in the United Kingdom.—Mr. Thomas Ashton, Ashton-under-Lyne; Mr. D. F. Howarth, Ashton-under-Lyne; Mr. R. A. Drean, Belfast; Mr. Thomas Parkinson, Blackburn; Mr. Noel Griffith, Bloomsbury; Mr. L. M. Johnson, Bolton; Mr. F. P. Dixon and Mr. Thomas Hewetson, Carlisle; Mr. G. R. Griffith, Mr. R. Knowles, Mr. H. E. Crane, Mr. Ben. Rigby, and Mr. John E. Savage, Chester; Mr. J. Lloyd Simpson, Derby; Mr. Trevor Pearce, Exeter; Mr. A. E. Moat, Folkestone; Mr. Francis Fullerton, Hull; Mr. Wilkie Jones and Alderman Woolley, Lambeth; Mr. Z. Yewdall, Leeds; Mr. G. Banner Newton, Liverpool; Mr. C. W. Jones, Leicester; Mr. L. D. Stewart, Manchester; Mr. Fred. Emley, Newcastle-on-Tyne; Mr. F. Stanley Tollit, Newcastle-on-Tyne; Mr. W. G. Davies, Newcastle-on-Tyne; Mr. Robert Young, Nottingham; Mr. W. J. Johnson, Norwich; Mr. Wm. P. Park, Preston; Mr. George Anderson, Preston; Mr. Arthur Hodgkinson, Preston; Mr. John Leigh, Preston; Mr. A. T. Higgs, Reading; Mr. John Mallaband, Sheffield; Mr. Joseph Merrill, Sheffield; Mr. Frank Moss, Stockport; Lieut.-Col. Haswell, Tynemouth; Mr. William A. Proud, Warrington; Mr. William Long, Warrington; Mr. John Musgrove, Whitehaven; Mr. T. P. Bragg, Whitehaven; Mr. John R. Yates, Wigan; Mr. W. L. Lawton, York; Mr. Thomas Jaffrey, Aberdeen; Mr. R. G. Wilson,

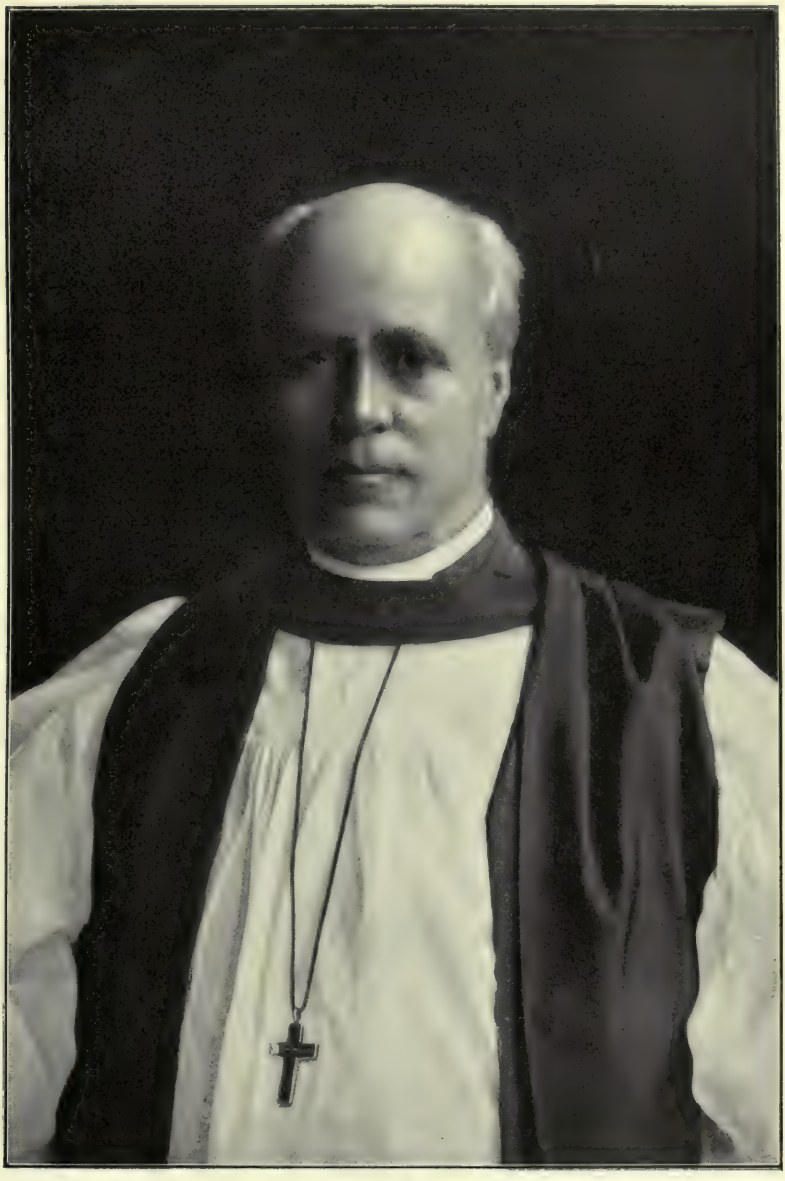
Aberdeen ; Mr. Adam Maitland, Aberdeen ; Mr. William Smith, Aberdeen ; Mr. J. G. Bell, Alexandria ; Mr. W. Roddick, Annan ; Mr. Alexander Pearson, Annan ; Mr. William Anderson, Brechin ; Rev. Dr. Coats, Brechin ; Mr. John Forrest, Carluke ; Provost Davidson, Coatbridge ; Mr. P. R. Stewart, Coldstream ; Mr. W. J. Williamson, Cupar-Fife ; Mr. D. M. Rollo, Cupar-Fife ; Mr. R. Handyside, Dalkeith ; Mr. A. B. Gilroy, Dundee ; Mr. James Guthrie, Dundee ; Mr. William Henderson, Dundee ; Mr. John Miln, Dundee ; Mr. R. B. Don, Dundee ; Mr. R. C. Thomson, Dundee ; Mr. Archibald Sturrock, Dundee ; Mr. Ralph Erskine, Dunfermline ; Mr. D. D. Blair, Dunfermline ; Mr. John Symons, Dumfries ; Mr. Joseph Corrie, Dumfries ; Mr. Archibald C. Rennie, Falkirk ; Bailie Bogle, Falkirk ; Mr. D. J. Young, Fettercairn ; Mr. John Turnbull, Galashiels ; Mr. John Colville, Glasgow ; Mr. John Edwards, Glasgow ; Mr. Thomas M'Arley, Glasgow ; Mr. R. D. M'Ewan, Glasgow ; Mr. Robert Corbet, Glasgow ; Mr. James Munro, Glasgow ; Mr. John Paton, Glasgow ; Mr. Robert Paterson, Glasgow ; Mr. James Binnie, Grangemouth ; Mr. S. P. Jackson, Grangemouth ; Provost Melrose, Hawick ; Mr. John Murray, Hawick ; Mr. William Corner, Inverness ; Mr. J. Charles, Inverurie ; Rev. James Black, Inverurie ; Mr. Archibald Henderson, Jedburgh ; Provost Young, Jedburgh ; Mr. Alexander Davidson, Kirkcaldy ; Mr. J. Lockhart Innes, Kirkcaldy ; Mr. Andrew Matson, Kirkintilloch ; Mr. George Gray, Montrose ; Mr. John G. Milne, Montrose ; Ex-Provost Anderson, Newburgh, Fife ; Mr. W. A. Morison, Newburgh, Fife ; Mr. William Bow, Paisley ; Mr. John Lang, Paisley ; Mr. W. A. Barclay, jun., Perth ; Dr. Urquhart, Perth ; Mr. J. M'Callum, Rothesay ; Rev. John L. Dinwiddie, Ruthwell ; Mr. J. Macpherson, St. Andrews ; Mr. T. Muirhead, Stirling ; Mr. J. Jenkins,

Stirling ; Mr. Robert Hunter, Greenock ; Mr. John S. Wingate, Greenock ; Mr. William Kidd, Greenock ; Mr. William Deacon, Greenock ; Mr. G. Dempster, Greenock ; Mr. R. A. Drean, Belfast ; Mr. John Cleaver, Belfast ; Mr. William Henry, Coleraine ; Mr. H. Carr Cave, Cork ; Mr. J. B. Collings, Guernsey ; Mr. John M. Dorey, Guernsey.

Grace was said by the Moderator of the United Free Church of Scotland (Rev. Dr. John Young). During dinner Mr. Hartley's orchestra played a selection, and later in the evening Mr. Robert Burnett, the well-known vocalist, accompanied by Mr. George Short, contributed several characteristic Scottish songs. The galleries were fully occupied by ladies.

THE TOASTS

The CHAIRMAN, in proposing 'The King,' said : My Lords, Ladies, and Gentlemen, I rise to give you the toast of 'His Majesty the King.' Our feelings of loyalty cannot but be mingled with emotion as we remember that we meet together perhaps under the greatest national loss that it is possible for a nation to suffer. King Edward VII., of honoured memory, now rests with the majority. During his comparatively short but beneficent reign he gained a great name for himself, and no man, even though a King, could make a greater name than that for which he will be known to posterity and history, namely 'The Peacemaker.' During his reign the best institutions of the Empire, such as that which we now celebrate, greatly prospered. We all earnestly prayed that he might be long spared to carry on his great and all-important duties, but it was not to be. His memory and example, however, remain and abide, and we turn with hope and confidence to his son, the present occupant of the Throne. (*Applause.*) We feel sure that King George will worthily fill the great position to which he has been



HIS GRACE THE MOST REVEREND
THE ARCHBISHOP OF CANTERBURY
(RANDAL T. DAVIDSON)

(*Photo by Mayall, London*)

called. We have confidence that, difficult though it may be, he will strive successfully to follow the great example set by his father. My Lords and Gentlemen, we, as a nation, fear God and honour the King, and I now ask you to honour the King, and join in pledging the health of King George the Fifth, 'Long may he reign!' (*Loud applause.*)

The toast having been duly honoured,

The CHAIRMAN said: My Lords, Ladies, and Gentlemen, I have now to give the toast of 'The Queen, Queen Alexandra, the Duke of Cornwall, and other Members of the Royal Family.' The domestic virtues in high places are a great national possession. In Queen Mary and the Queen-Mother we have a great and eminent example of those womanly graces which have made the British home one of the surest foundations of the national life. At this time our sympathies go out especially to the widowed Queen-Mother in her bereavement, and we earnestly pray that her successor, Queen Mary, may be long spared as the loving helpmate to her husband, and also the guide and counsellor of her son, the heir-apparent, the Duke of Cornwall. I ask you to pledge the health of the 'Queen, Queen Alexandra, the Duke of Cornwall, and other Members of the Royal Family.' (*Applause.*)

Mr. ALEXANDER CARGILL, the Actuary of the Edinburgh Savings Bank, who was received with loud applause, said: I have some apologies to intimate at this stage. In the first place, there is one from His Grace the Archbishop of Canterbury. With your permission I shall read the letter which His Grace has sent:—

LAMBETH PALACE, 4*th June* 1910.

To ALEXANDER CARGILL, Esq.

MY DEAR SIR,—It is a disappointment to me that I am not able to attend your centenary in Edinburgh next week. This is one of the centenaries which certainly ought to be celebrated. Intelligent appreciation of the

work which was set on foot one hundred years ago, by those whose doings you commemorate, brings us face to face with some of the great problems of to-day. And it will be found, I am certain, that those pioneers were wise and far-seeing men. We do not nowadays work exactly as they did, and I suppose that the nation or the State, as such, has taken over some at least of the responsibilities which at that time were left wholly in voluntary or charitable hands. All the more ought we to show our recognition of and our gratitude to the people who set us on the right way. I trust that all success may attend your gathering, and that it may be fruitful of abundant good.—Yours faithfully,

RANDAL CANTUAR.

(*Applause.*)

I have an apology also to intimate from Lord Rosebery. (*Applause.*) I should like your special attention to his letter :—

38 BERKELEY SQUARE, W., *June* 8, 1910.

To ALEXANDER CARGILL, Esq.

DEAR SIR,—Though I was never able definitely to promise to accept your invitation, I am sincerely sorry that I am debarred from availing myself of it.

For there never was a less promising outlook for thrift. Grinding taxation, and a total disregard for economy n public affairs, offer nothing but discouragement for thrift. Moreover, everything points to further burdens, and nothing to any spirit of saving or retrenchment. In private life, too, luxury and the passion for pleasure disdain thrift. I hope, therefore, that your meeting to-morrow will point a path to better things, and some encouragement to the friends of an ancient virtue.

For thrift is character, the basis of sound national as well as of individual character. If we lose that corner-stone, the imperial structure is in grave danger of unsettlement. And if Scotland ceases to be thrifty, she will have lost one of the main foundations on which the success of her sons has been built up. Let the spirit of Duncan of Ruthwell speak once more among us. For thrift is at the root of independence and self-respect, two vital principles in national life, more especially in the life of an ambitious and aspiring people like ours.—Yours faithfully,

ROSEBERY.

(Loud applause followed the reading of the letter.)

I have also letters of apology from Lord Pentland, Secretary of State for Scotland, Lord Balfour of Burleigh, Lord St. Aldwyn, the Earl of Stair, and a special apology,

THE RIGHT HONOURABLE LORD PENTLAND
(SECRETARY OF STATE FOR SCOTLAND)

(Photo by Elliott & Fry)

which I should also like to read, from Mr. Henry Duncan, grandson of the Founder of Savings Banks.

174 ADELAIDE ROAD, LONDON, N.W.,
May 31st, 1910.

To ALEXR. CARGILL, Esq.,
Actuary, Edinburgh Savings Bank.

DEAR SIR,—I regret very much that the state of my health is such, that I have with great reluctance to deny myself the pleasure of attending the Savings Bank Centenary celebrations. My daughter, Mrs. Hall, however, hopes to be present, and will represent myself as well as the descendants of my father, the Rev. Dr. George John Craig Duncan, the eldest son of Dr. Henry Duncan. I assure you we all highly appreciate the honour conferred upon the memory of our distinguished relative by the promoters of the Centenary, in their recognising him as the founder of the admirable institution of Savings Banks, and in according him so prominent a position in the proceedings. Again expressing my regrets and disappointment at being unable to attend, and thanking you very much for the invitation you sent me.—I remain, yours very truly,

HENRY DUNCAN.

I take this opportunity of saying that Mrs. Hall, of London, a great-granddaughter of the Founder, is present in the gallery to-night. (*Applause.*) I have also received apologies from Lord Avebury, Lord Shaw, the Lord President of the Court of Session, the Postmaster-General, the Lord Advocate, the Solicitor-General, Mr. Andrew Carnegie, Principal Sir William Turner, Lord Ardwall, Lord Low, Lord Mackenzie, Lord Johnston, Dean of the Faculty of Advocates, Sir Donald Macalister, the Master of Elibank, M.P.; Mr. J. W. Gulland, M.P.; Mr. R. C. Munro Ferguson, M.P.; Mr. J. Duncan Millar, M.P.; Professor Shield Nicolson, Sir Edward Brabrook; Mr. Orchard, Bank of England; Sir M. Mitchell-Thomson, Lieut.-General Sir Bruce Hamilton; Mr. James Thin, the Bank's oldest trustee; and others.

The Postmaster-General writes :—

MY DEAR SIR,—I am very sorry that I cannot have the pleasure of joining in celebrating the centenary of a movement so beneficent as that

of the Savings Banks—the initiation of which is one of the many useful services to the nation in which Scotland may justly take pride.—Yours etc., HERBERT SAMUEL.

A telegram came to-day from Stettin Savings Bank, stating, 'The Municipal Savings Bank send heartiest wishes for further prosperity.' (*Applause.*)

Finally, there is a telegram of congratulation from Bologna. I shall read it :—

EDINBURGH SAVINGS BANK, EDINBURGH.

The Italian Savings Banks Committee, meeting at Bologna, well aware of the progress that from thence will once more issue, wish hearty joy to the Savings Banks of Scotland, as a token of interest in the glorious memorial you so splendidly and deservingly celebrate.—Cassa di risparmio, Bologna. ENRICO SILVANI.

(*Loud applause.*)

The CHAIRMAN.—My Lords, Ladies, and Gentlemen, I am sure I only express your feelings when I say how much we all regret the absence of the gentlemen from whom we have heard in the letters of apology now submitted. When this gathering was arranged, we little thought of the death of our late lamented Sovereign, which has since thrown a shadow over the British Empire. By a combination of circumstances, mostly arising out of this national bereavement, we are deprived of the company of many distinguished guests. I specially refer to the Archbishop of Canterbury, who has all along taken a deep interest in the Savings Bank movement. I also specially refer to the absence of Lord Rosebery, as many in this audience were looking forward with great pleasure to hearing his speech on this occasion. At this stage I have to offer a hearty welcome to all who have come here to-night, and also to thank the many distinguished strangers from abroad who are honouring us with their presence. (*Applause.*)

Mr. WALTER B. BLAIKIE proposed the 'Imperial Forces.' He said : I have no intention of taking up your time with

WALTER B. BLAIKIE, Esq., J.P.
Member of Committee of Management
Edinburgh Savings Bank

(*Photo by W. Drummond Young, Edinburgh*)

platitudes on the Navy and the Army, the ancient Forces of the Crown. Let this record suffice that, thanks to their services, we have for centuries in these islands lived and traded free from fear of invasion, and without knowledge of the horrors of war; but I ask you to allow me to say a few words on the youngest branch of our National Army, the Territorial Force.

There is a reason why we in Edinburgh should take, perhaps, more interest than others in the Territorial Force, because its creator and organiser is our own townsman, brought up and educated among us.

Mr. Haldane, in the creation of the Territorial Force, has made a beginning of bringing home to the consciences of the young men of this country the imperative duty of preparing themselves to defend their hearths and homes, should such defence ever become necessary. Moreover, in Scotland there is another reason why we should prize this force, for in his new scheme Mr. Haldane has returned more or less to the old Scottish ideal of a voluntary unpaid citizen army. Is it generally known that up to the time of the Union of the Crowns there was no paid soldiery in Scotland? It was only nineteen years before the Union of 1603 that the King obtained from Parliament a Guard of forty men, the only paid soldiers that the old kingdom of Scotland ever possessed in peace or in war.

I have been much struck with the great keenness and devotion of the young men who have joined the new force. One sometimes hears talk of militarism, but the Territorial Army is composed of citizens who have nought to do with the profession of arms, and, indeed, is the very antithesis of militarism. The Scout Movement is another organisation of great promise for the future manhood of the country. It is exceedingly gratifying to find boys willing to give up their time and their play hours to fit themselves

physically and intellectually for the future service of their country.

These organisations cannot exist unless they are helped by the citizens at large, and I appeal to all here, especially men of business, to give their sympathy and encouragement to those who are doing their best to qualify themselves to defend their country. Employers should afford every possible opportunity to those in their employment to attend the necessary camps and drills; while such of you who have sons, young men of education, should feel it their duty to encourage these sons to become Officers in the Territorial Force.

I have to couple this toast with the name of the Right Hon. Sir John H. A. Macdonald, Lord Justice-Clerk, a gentleman who gave fifty years of his life to the cause of the Volunteers, and who now, in his mature age, has taken a leading part in establishing the Motor Corps of the Territorial Army, of which he holds the command. (*Applause.*)

Sir J. H. A. MACDONALD, who was received with loud applause, said: There being no representative of the Navy or Army here to-night, it has fallen to me to reply for those two Services, which I can do but very inadequately, except as an admirer of them both. Recent events have brought the flower of our seamen and the flower of our soldiery into prominence. Any one who witnessed the sad ceremonial of a few days ago cannot but have been struck by the splendid physique, splendid discipline, and splendid drill of the representatives of those two Services. We all know that the Navy stands in great strength, and has been developed with the greatest possible skill for modern warfare, and with our insular position it would be very sad if it were otherwise. As regards the Army, we must all say of it, as Marshal Bugeau said in the time of the Napoleonic histories—'The British infantry is the finest in the world, fortunately there is very little of it.'

THE RIGHT HON. SIR JOHN HAY ATHOLL MACDONALD
K.C.B., LL.D., F.R.SS. (L. AND E.), M.I.E.E., D.L., V.D., LORD JUSTICE-CLERK OF SCOTLAND
AND ENSIGN OF H.M. ROYAL BODYGUARD

(*Laughter.*) Well, we try to eke it out with our Army Reserve and our Territorials, and I say with the recollection of my long service in the Volunteers, and of the men associated with that Force, that I believe the same spirit animates the Volunteers as animates our regular Army. Deficient they are to a certain extent in training and discipline, and it is somewhat doubtful if, after six months' training, they would be quite fit to do their duty to defend the country. I cannot help recalling a picture, a large placard on the seashore with a sheep and a couple of lambs before it, and on the placard were the words, '*N.B.*—No invasion permitted here except upon six months' notice.' (*Laughter.*) That spoke too truly of our position. The Territorials, I believe, will do their duty to the best of their ability if called upon. I would like, in reply, to say that while we all rejoice the late King earned well the name of 'The Peacemaker,' you must not rely too much on that. I remember seeing the great Exhibition of 1851, when there seemed an *entente cordiale* between all the nations of the world. People talked as if there never would be any war again. Having lived long enough, I find that never for five successive years during the whole of that period since 1851, now nearly sixty years ago, have we been without a war, large or small, in Europe, not to speak of war elsewhere. There was the terrible Civil War among our friends in America, the Franco-German War, and many others, which have stamped on us the conviction that it is not wise to rely upon talk about peace unless we are sufficiently armed to meet war if it should come. (*Applause.*) Before sitting down, I would like to recall the celebrated incident that took place before the great French Revolution, when William Pitt, one of the most astute statesmen that ever lived, sat in our House of Parliament. He said that it did not do for a statesman to prophesy, but, so far as he could see, looking to the state of Europe at that time, never

had there been a promise of such continued peace. Within eighteen months the French Revolution broke out, and for twenty-five years there was a scene of carnage and bloodshed. Let us take warning and be ready. He that is ready does not desire war. He that is ready desires peace, but he remembers the memorable words in the great Book, 'When the strong man armed keepeth his palace, his goods are in peace.' (*Loud applause.*)

The Honourable LORD SALVESEN, in proposing the toast of 'The Houses of Parliament,' said: It used at one time to be an easy matter to propose the toast of the 'Houses of Parliament' without treading upon somebody's corns. In those days the lion used to lie down with the lamb. The lamb never thought to cross the path of the lion, and the lion never wished to interfere with the freedom of the lamb. Things have changed greatly in recent years, and the subject is hedged about with difficulty and fraught with danger to the speaker who proposes the toast. There are, I am afraid—I withdraw that verb—there are, I have no doubt, some who desire that the House of Lords should be ended. There are, I dare say, in this assembly others who desire that the House of Lords should be mended. (*Hear, hear.*) I dare say there may be others again who think that the House of Lords is very well as it is, and that it has on more than one occasion justified its existence. (*Hear, hear.*) Nothing will induce me to divulge which of these various opinions I hold (*Laughter*), but even the most colourless things one may say of the House of Lords are open to misconception. I remember some months ago introducing to an Edinburgh audience a lecturer who, for great public services, had been rewarded by being raised to the peerage, and I took occasion to say that I thought he was much to be congratulated on his promotion, when one considered that in the House of Lords at the present day there were more distinguished men

THE HONOURABLE LORD SALVESEN
ONE OF THE JUDGES OF THE COURTS OF SESSION
EDINBURGH

(Photo by A. A. Inglis, Calton Hill, Edinburgh)

than there had been in any House of Commons that ever existed. (*Hear, hear.*) Well, within two days I received a letter from a London gentleman, with a report of the remarks that I had made, and asking whether they correctly represented what I had said, because he said that he intended to use them for a publication he was in course of preparing for the Press. I dare say I would have been flattered if he had stopped there, but the title of the new publication was *The Irrelevancies of Public Speakers*—(*Laughter*)—and he left me in no doubt whatever as to his views on the subject, because he commented in the strongest terms on my bad taste in having introduced a political subject to the notice of a non-political audience. I hope that I shall not be accused at all events of irrelevancy on this occasion in dealing with the House of Lords as well as the House of Commons, when I say I adhere to that statement. (*Hear, hear.*) After all, whatever we may think of the House of Lords as a part of our constitution, whether we think it a valuable part and desire it to be retained, or whether we think the reverse, I think we will all agree in this, that the country would be infinitely poorer if it were without those who are at present members of the House of Lords. (*Applause.*) Our greatest generals have seats in that august assembly. Those who are experts in naval affairs sit there. Many of our greatest administrators, financiers, and captains of industry have gravitated towards the House of Lords, and occupy a prominent position in that assembly. If I take my own profession, with which I am most familiar, while there are distinguished members of that profession in the House of Commons and elsewhere, I think probably the most distinguished have found seats in the House of Lords. (*Hear, hear.*) I dare say there are some here who think the hereditary element in the House of Lords is open to objection. I don't say whether I share that opinion myself or not, because I have

foresworn all politics since I went upon the Bench, but I do say this, that the country has reason to be grateful for the many great men that that hereditary element has produced in the past (*Hear, hear*), and for the many distinguished persons who still represent it in our midst. I need only refer to Lord Rosebery (*Applause*), our fellow-countryman and our fellow-citizen, whose absence we so much regret on this occasion. Well, I turn with greater security to the House of Commons. (*Laughter.*) I suppose we all are agreed that there must be a House of Commons to represent the people and to give effect to the changing political opinions of the people. I sometimes think that there is a large field which the House of Commons more or less persistently neglects, I mean the field of non-controversial legislation. (*Hear, hear.*) There are many things upon which statesmen of all parties are agreed which are left undone, just because they do not excite sufficient interest in the public mind. There are many Acts that are passed even amongst those that attract the attention of the House of Commons, on which they would do well to spend a great deal longer time than they do. (*Hear, hear.*) We who have to interpret the language of statutes, know too well how often they err on the point of lucidity. (*Hear, hear.*) Whatever may be said of the House of Commons, it has in the past been the bulwark of our liberties, and a great factor in the social development of the country. I am sure you will all agree with me when I say that I hope and believe it will be the bulwark of our liberties in the future, and that it will wisely guide the affairs of the British Empire to a higher destiny than it has ever before attained. (*Applause.*) I have the pleasure of coupling this toast, in the absence of Lord Rosebery, who was to have replied for the House of Lords, with my friend Mr. Clyde, the representative of West Edinburgh. Mr. Clyde has earned the high opinion

JAMES AVON CLYDE, Esq., K.C., M.P., LL.D.

(Photograph by Crooke, Edinburgh)

of his constituents, and I know no lawyer who is more expert in the art of political navigation (*Laughter*), one who can avoid at the same time the Scylla of revolution and the Charybdis of old High Toryism. In Mr. Clyde you will find one who will on the present occasion worthily represent the House of Lords as well as the House of Commons, of which he is a distinguished ornament. (*Applause.*) I ask you to drink to the 'Houses of Parliament,' coupled with the name of Mr. Clyde. (*Applause.*)

Mr. J. Avon Clyde, K.C., M.P., in replying, said: I was fully aware, something like a year ago, of some of the responsibilities which I took upon my shoulders when I became a candidate for Parliament, but it never entered into the wildest of my dreams that I should find myself saddled with a responsibility which went beyond the merits or demerits of the representative House; and I confess when I find myself standing here to-night, charged with the duty of representing for the moment, and in some measure however inadequate, the House of Lords, as well as the House of Commons, my heart quails. It has pleased my Lord Salvesen to make happy allusion to some of the circumstances which lend a particular flavour to the political situation of the day. True it is that we are arrived at a critical moment indeed in those controversies between the House which I can make some pretence to represent, and that other House, known sometimes as 'the other place,' sometimes as 'upstairs.' But those controversies are for the moment hushed before the majesty of death. About them, accordingly, I am going to say nothing, except to express, as I think I may, the belief of everybody here present, that there is room in our constitution for a Second Chamber as well as for a First (*Applause*), and that, however affected by changed conditions, however moulded to meet different circumstances, we all of us hope and believe

that both these Chambers will continue, in years to come as in years past, to play their respective parts in the great imperial functions of maintaining authority and of safeguarding liberty. (*Applause.*) It would be out of the question for me to pretend that the lot of a member of the House of Commons in the year 1910 is a lot wholly free from care. You are always, gentlemen, by way of reminding us of the prospect of another general election ; and although, of course, there is nothing we enjoy so much as a general election (*Laughter*), still, when you threaten us with it at close quarters, the stoutest among us is disposed to ingeminate peace. I am sure I don't know whether, in the immediate future, I and my colleagues present are to find ourselves in a state of peace or in a state of war, but this I think I may say for us all, that whether the morrow holds for us a spell of continuous work in the House of Commons, or a bout of those more arduous labours which are performed on the platform, we shall each of us do our best, according to our diverse political lights, to serve you well. (*Applause.*) I hesitate even to make a comparison between the lot of a member of the House of Lords and the lot of a member of the House of Commons, but this at least a member of the House of Lords can claim as a privilege we cannot participate in—he is free from these recurrent terrors of election. His parliamentary opportunities are otherwise acquired. But, whatever qualification may be established for membership of that House, my conviction is that among our own people, whether they be of noble birth or of less exalted origin, we can confidently look forward to finding, whatever be the form which the Second Chamber may assume, a continuous supply of honest and able public servants to uphold its traditions and perform its duties. (*Applause.*) I must thank you, gentlemen, and thank my Lord Salvesen, for putting on me the honour of coupling

my name with this toast. He has been good enough to say that the House of Commons might sometimes devote its energy to less controversial work. That may be so ; the House of Commons stands in the full light of public criticism, and we do not complain of it, but I am not sure I can follow my Lord when he says the House of Commons is to blame for the difficulties which His Majesty's Judges find in interpreting its decrees. We are disposed to think, if we express our intentions in ordinary King's English, His Majesty's Judges ought not to have this insuperable difficulty in understanding what we mean. (*Laughter.*) After all, there are two parties to every misunderstanding, and it does not follow that the fault is all on one side. I am not quite certain that perhaps part of the blame may not rest on other shoulders than those of Members of Parliament. My own professional duties—outside of Parliament—are not performed in the serene atmosphere which surrounds my Lord. I belong to a section of the profession of the law whose duty sometimes is to make it difficult for His Majesty's Judges to understand an Act of Parliament (*Laughter*), and I flatter myself that I and my learned brethren are by no means always unsuccessful. (*Laughter.*) But of course I must admit that their Lordships on the Bench have the last word, and there is this at least that must be said, that however great the difficulties may be which are contained in the Statute itself, or that are created by those that do not want its meaning to be particularly clear, their Lordships always end in making it mean something. (*Laughter and Applause.*) Well, that is all I shall say about the work of your legislature. I shall content myself by thanking you very warmly, on behalf of both these historic assemblies, for the loyalty with which you have drunk this toast, and by thanking you in particular for the honour you have conferred on me by coupling with it my humble name. (*Applause.*)

Sir ALBERT KAYE ROLLIT, LL.D., D.C.L., D.Litt., Chairman of the Statutory Inspection Committee of Savings Banks from its foundation in 1891, said : Mr. Chairman, My Lord Provost, My Lords, Ladies, and Gentlemen, your Chairman, one of my most able colleagues on the Savings Banks Inspection Committee, has asked me to propose to you 'The Savings Banks,' a toast which expresses the cause of this great gathering, and which is the foundation of this feast. Here is every excuse for a draught—'Good wine, a friend, or being dry, or lest one should be by and by—or—any other reason why.' (*Laughter.*) As one comes North, the potency of your national beverage seems to decrease, but even this impunity does not, amid such entertainment as to-night's, make us Southrons share the opinion of one of the two Scotsmen who went to France for the first time, and who, after they had saturated themselves with champagne, said, 'Saundie, let 's have a drap o' whisky—I don't care for these Fe-rench min-e-ral wa-ters.' (*Laughter.*) And my hope is also confirmed that dining may never become a lost art, or hospitality only an ancient virtue ; for, after all, a social and convivial element has had something to do even with the cultivation of thrift. (*Applause.*) But, while feeling the compliment of proposing this toast, I begin to realise the difficulty, not to say the delicacy, of presuming to teach thrift to Scotsmen (*Laughter*) ; it is like preaching providence to the converted; whereas, farther south, the general state of mind is more that of King Agrippa, only half-persuaded, while the impenitents pray: 'O Lord, convert me—but not to-day.' (*Laughter.*) Hence the surprise of the Scot, or the Pict, when, in London, his saxpence took to itself wings and flew away; but now, in this Age of Aviation, one may expect some Scot to be the founder of an Aerial Bank for Savings—a sort of Cloud Bank, with a gold and silver lining ; indeed, Voltaire may have had some such

prevision when he wrote that England ruled the seas, France the land, and Germany the clouds. (*Laughter.*) Such thoughts, I confess, made me nervous at speaking to you of Thrift, but I recalled that a young Athenian speaker once confided his nervousness to Socrates, who asked him what he was going to speak about; he replied, 'I am going to praise the Athenians.' 'And to whom?' 'To the Athenians.' 'What need, then,' said Socrates, 'for nervousness?' And now, I have the same feeling when I remember that I am proposing 'The Savings Banks' in this modern Athens, and to an audience of Savings Bankers, and with the authority of Cicero; *Magnum vectigal est parsimonia*—Thrift is a great revenue. (*Applause.*)

THE HONORARY TRUSTEES AND MANAGERS

Moreover, I am glad of the opportunity to acknowledge the public services for five generations of the Honorary Trustees and Managers of the Savings Banks, and, as Chairman of the Inspection Committee, to render them most grateful thanks. They are the life and soul of the Savings Banks. They are friends in need, and in deed, of the poor depositors. Confidence is a plant of slow growth, but, by their public positions and high personal characters, they attract and assure the savings of the people, to whom they give sympathy and help, under our system of private management, coupled with State control and security; and they thus weld and knit together, by the ties of a common object and interest, men and women in all classes of the community, and minister to the needs of the poor by arming them for warfare against waste and its temptations—the most practical form of philanthropy, since it helps people to help themselves. Thus, the heart of the Savings Banks is not at the Inspection Office in London—the heart of the

Savings Banks is in your own several cities and towns. 'Not what we give, but what we share ; the gift without the giver is but bare'; and you have given freely and fully of both to the industrious and provident poor. (*Loud Applause.*) But, while this public service is local, the best point of observation of its value and results is the central one of the Offices of the Inspection Committee, and hence I am most qualified and justified in paying this high and most merited tribute to the Trustees and Managers of our Savings Banks. (*Applause.*)

THE RISE AND RESULTS OF SAVINGS BANKS

Hence, too, we are here to celebrate this Centenary, and the memory of the first Founder. Too often the claims of first founders are in respect of institutions whose history has been first to flounder, and then to founder. (*Laughter.*) But upon a balance of historical considerations it may be truly said that Great Britain can fairly claim both the idea and foundation of Savings Banks, as we know them, and it is to Dr. Duncan that we still, and shall for ever, owe our thanks for this saving grace and service to mankind, and pay them with gratitude,—which is the memory of the heart. (*Loud applause.*) But this is a cosmopolitan company, and we must not forget the contributions made to the same cause by other nations, to whose numerous representatives from the Old and New Worlds we give our most cordial welcome. (*Applause.*) No jealousy need make us deny that, probably, Savings Banks of a kind were first made in Germany (*Laughter*) —at Brunswick in 1765, at Hamburg in 1778, a fine old Bank, of which two successors still exist, and at Oldenburg in 1790 (*Applause*) ; or envy France—whose Savings Banks' Chief, M. le Comte de la Panouse, honours us with his presence (*Applause*)—the early origination of Les Caisses des domes-

tiques, a type of bank work and of a class of depositors which still largely survives in aid of our domestic servants (*Hear, hear*) ; or forget the historic claims of the Rhône, or Marseilles, or of the Loire (1792), or of Berne (1787), Basle (1792), or Geneva (1794), or of Italy, Holland, Belgium, Hungary, and of the United States, representatives of all of which are among us this evening. So, too, are representatives of our Colonies, which reminds us that Great Britain has given to her Empire not only language, liberty, and laws, and Parliaments, circled round the world, but common institutions and a national character—in part the effect and in part the cause of Savings Banks—which make us realise the fulfilment of the Elizabethan dream of England : 'She stands with all her daughter-lands about her, Mistress of the Seas, and heiress of the lands beyond the seas.' Those lands, our Colonies,—which we liken to the warp and weft; as our ships to gigantic shuttles passing to and fro and weaving them into one harmonious whole—Our Empire ! (*Loud applause.*) But this is no merely imperial, much less insular, assembly ; it is an Entente of many nations. The Lord Justice-Clerk has just spoken most eloquently of the need of national safety. So far I cordially concur, and both he and I have given practical pledges of our principles in life-long national defensive service, for we both joined the Auxiliary Forces on the first formation of the Volunteers in 1859, and, while he has greatly distinguished himself in that Force, I am still in the service as an old Militiaman. (*Applause.*) So I am for safety and defence, as the Lord Justice-Clerk is; but, while you may do anything with bayonets —except sit upon them (*Laughter*),—it is as well to forge links of peace as bolts of war, and to feel that common achievements and knowledge and intercourse make for peace and progress, and justify, if it be but the dream, the ideal, nay, even the hope, of the dawn of that blessed day when law

shall banish war ; when the force of right shall supplant the right of force ; when the animosities shall perish and only the humanities be eternal ; when the barriers shall fall down between nation and nation, and be set up only between right and wrong ; when shall—

> 'The sheath'd sword fall,
> And Peace, an angel, fold her golden wings,
> And Commerce, smiling, call.'

(*Loud applause.*)

Now, as a Yorkshireman, a county where we are as canny and clanny as you Scotsmen, I must, like yourselves, connect our history with the genesis and success of the Savings Banks. (*Laughter.*) First, Daniel Defoe, in 1697, projected the idea of Savings Banks, thus becoming the author of a great fact as well as a great fiction, and he was connected with my own county and city through the Crusoes, Bremen, Hull and York. (*Laughter.*) Defoe's scheme combined a proposal for State Old-Age Pensions, of which he said, for it was a contributory one, on the lines of the Savings Banks: 'Who, indeed, would pity that man in his distress who, at the expense of two pots of beer a month, ought to have prevented it, and would not spare it ?' In 1797 Defoe's plan was revived by Jeremy Bentham, who called it, perhaps after Mrs. Gilpin, a 'Frugality' Bank, and was supported by Jeffrey in an early number of the *Edinburgh Review*; but it was superseded in 1798 by the Rev. J. Smith, at Wendover, where a Parish Bank was established, and in 1797 at Tottenham, where Mrs. Wakefield added a Bank to a Friendly Society. And next, a great Hull and Yorkshire man, William Wilberforce, M.P., the Slave Liberator, became the supporter and the ally of Dr. Duncan himself in founding Savings Banks, and greatly assisted him in passing through Parliament the first Savings Bank Acts of 1817 and 1819. But Wilberforce was not only the Liberator of the blacks

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(*Photo by Hoskins, Leeds*)

—he realised the sarcasm of the day: 'Oh, if only Britons were black, how much you would do for them!' (*Laughter*); —he also struck the fetters from our own white slaves, slaves of ignorance, temptation, pauperism, vice, and crime. And perhaps the most striking tribute to the action of Wilberforce in relation to both Savings Banks and Slavery was in Brazil, by the Savings Banks' law of which deposits in the Banks were made a means of manumission, the means by which slaves could not only save in order to emancipate themselves, but also to abolish slavery as a system. Thus Wilberforce, by introducing a new form of expression of the philanthropic spirit of a remarkable period and of remarkable men,—the close of the eighteenth and the opening of the nineteenth centuries,—produced a band of practical philanthropists. Wilberforce and his associates changed spasmodic charity into organised and systematic benevolence. They discovered that you can't do the Samaritan without the oil and twopence. (*Laughter.*) Hence sprung up Benefit and Friendly Societies, always closely associated with the establishment of Savings Banks, including that of Dr. Duncan, and also those Hospitals, decorated with that splendid inscription 'Supported by Voluntary Contributions,' which Louise Michel, the French Revolutionist, said would, in themselves, have prevented the Revolution, and which earned for such philanthropists the epitaph of one of them in St. Paul's Cathedral: 'They who seek to do good to mankind tread an open but an unfrequented path to immortality.' (*Applause.*) Their secret of success, their legacy to you Trustees and Managers, as their successors, was 'Organisation.' For to-day that word is the watchword of achievement. Religion and the Churches are organised piety; Commerce is organised shop-keeping; 'Party' is organised public opinion; Philanthropy is organised benevolence. (*Applause.*) By organisation are secured

cohesion and co-operation in common efforts, efforts in which each works for all, and all for each ; in which not individual wealth, but the welfare of mankind, is the better and the wider objective of political and social economy; in which all pull together, and none apart from the other ; in which there is no hesitation, no conflict, no cross-purposes—no such dangerous cross-purposes as those of the two cross-eyed squinting people who ran against each other in the street, when one shouted : 'I wish you 'd look where you 're going,' and the other : 'I wish you 'd go where you 're looking.' (*Laughter.*)

Now, let me ask : What have been the results of the establishment of our Savings Banks ? The answer is—for we must think in millions—millions of small savers, or depositors, and hundreds of millions sterling in small savings, or deposits. (*Applause.*) In British Savings Banks, the Trustee and Post Office Banks, there are assets of nearly £250,000,000, practically saved by the wage-earning and industrial classes; in the Savings Banks of the world probably a thousand millions sterling. What a monetary monument of the founders of thrift ! What an enthronement of thrift itself ! (*Applause.*) I included the Post Office Banks, for all experience shows that there is not only room, but a place, for both kinds of Savings Banks. (*Hear, hear.*) This is proved by the large increase of the deposits —many millions—in the Trustee Banks since the establishment of those of the Post Office, and especially since the confidence and sense of security given by the appointment of the Inspection Committee in 1891, amounting to £10,000,000. (*Hear, hear.*) Thus the Trustee Banks may be said to enjoy a measure of success which—in proportion to the number of Banks in operation—equals that of any similar agency of the kind in this, or in any other, country, about two millions of depositors having been enabled to accumulate

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nearly £64½ millions sterling in small savings. The Post Office Banks have, of course, also justified themselves, but the Honorary Trustees and Managers are a living force in aid of the Trustee Banks, who have hearts and souls in their sympathetic work as compared with the impersonality of any Public Department—of a Red Pillar Letter-box. (*Laughter.*)

ADMINISTRATION OF THE BANKS

For the present administration of the Banks there is, generally speaking, only the highest praise. The primary requirement of the depositor is safety, security for the provision his saving self-denial has made against the rainy day; to which the rate of interest is subordinate, though alterations of interest have influenced deposits, if only temporarily. What was at one time feared was any recurrence of the Bank failures of former days, and of that worst of crimes, the plunder of the poor, which robs and destroys public confidence, strewing with thorns the pillows of the poor, and so restricts saving. (*Hear, hear.*) But it is now felt that, humanly speaking, safety is assured, and this is humorously illustrated by a boy's faith in one of the Savings Banks. He writes to the manager : ' I send you my money-box. It will be safer with you and better for me, for father is always trying to open it with a sardine-tin knife ' (*Laughter*) ; which reminds me that the system of money-boxes or home-safes, as domestic feeders of the Banks, has been long and successfully in operation in Trustee Savings Banks. (*Hear, hear.*) From our first appointment, the representations of the Inspection Committee—though we were for a time regarded as Provident Policemen (*Laughter*), since which the most cordial relations have been substituted—have, as a rule, been cheerfully met. Serious causes of complaint and irregularities, especially such as have led us to report

and close one or two banks, have been few and far between, and readily remedied. Want of economy in management has been steadily reduced to an average of 5s. 9d. per cent. of the Banks' capital funds, and 6½d. per transaction, as against 8$\frac{7}{10}$d. in 1893, which is low, though there are Banks with a lower rate, such as Aberdeen (5s. 4d. and 5d.), our experience being accepted that economy and efficiency are constant concomitants of each other; while our urgency in recommending continuous audits by professional accountants is being generally regarded. The maximum rate of interest has been much more frequently paid, indeed this is now so general as to make its non-payment one sign of inefficient management. Indeed, as I urged at Aberdeen in 1908, notwithstanding the reduction of interest paid by the Government to the Trustees, the 2½ per cent. maximum interest could still be paid by the Banks to the depositors by virtue of better administration and greater economies, and this belief has been confirmed, and nowhere more strikingly than at Aberdeen itself. Profits and assets have also been generally increased. The days and hours of opening have been greatly extended; amalgamations have been furthered so as to mutually strengthen certain banks; superannuations have been effected in the interest of Banks no less than officials; and more attention has been given to tracing unclaimed or dormant accounts. Antiquated, or obsolete, rules and nomination and other forms have been revised, if only to meet such cases as that of the rule which enacted that members would be 'dismembered' for breach of any rule (*Laughter*), and of the testator who wrote on a nomination form:—'After my decease let my 3 children equelly share. if not if my speret have any power I will rise out of my grave to them that do rong.' The protection of the depositors in these and other respects is the duty of the Inspection Committee, and we have done our best to

perform it, and have so far succeeded in doing so without much friction, in which respect our acknowledgments are greatly due to our Secretary and Inspectors, who virtually make a check or second audit. And, of course, the Banks have the direct guarantee of the State for every twenty shillings of every pound of their moneys lodged with the National Debt Commissioners, under legislation dictated by a century of National Thrift, though the interest has been from time to time reduced; but, generally, reductions of interest, though at a point they may become repressive of saving and not economic, have not been found so potent in reducing deposits as to over-ride the cardinal considerations of depositors, viz., security and provision for the future, and against the workhouse at the end of all. (*Hear, hear.*)

THE SPECIAL INVESTMENT DEPARTMENTS, AND BRANCH, PENNY, AND SCHOOL BANKS

The restoration of Special Investment Departments, by my Savings Bank Act of 1904, has not only encouraged continuity in saving, and secured the payment of a higher rate of interest, but has enabled the working classes to aid their own local public works and improvements by the use of their savings as loans to Municipalities and Local Rating Authorities for the above purposes, at fixed rates of interest, and without any fluctuation of the principal, as in the case of Stocks. And our strong recommendations of the offer of greater facilities to depositors, especially through daily and evening openings of the Banks, have not only been largely adopted, but have shown that such advantages,—combined with branch Banks, of which Edinburgh has ten, and School Banks, and affiliated Penny Banks, the first of which was established in Hull in 1849, and which have as their objects not only to collect the smallest units in order to form larger

sums, but also to make in children thoughtful and thrifty habits, for just as the twig is bent the tree's inclined—have proved that opportunities for saving, and increased deposits, follow each other directly and closely, and that inducements to thrift should be taken to the very doors of the people ;—that, if Mahomet will not or cannot go to the mountain, even the mountain, yea, even the Edinburgh Mound (*Laughter*), must be taken to Mahomet. (*Hear, hear.*) Again though Shakespeare does not exactly say so, it is nevertheless true that 'Sweet are the uses of advertisement'; and we have not hesitated to combat the old idea that a Savings Bank is best when secluded in a back street, either on the ground of business economy or of secrecy for depositors, while we have been very willing to sanction applications for grants from the Separate-Surplus Funds in aid of improved Bank buildings or accommodation, and as an open and legitimate inducement to the deposit of savings in substantial, and safe, and good buildings, a principle which experience has fully justified not only at home, but, even more, abroad, in such palaces for savings as those I have seen at Bukarest, Budapest, and Belgrade. (*Applause.*) I remember being greatly struck in Budapest by the contrast between a reproduction, in the Commercial Museum, of the first city Savings Bank—one small room of less than nine square metres, one clerk, one rushlight, and rushes on the floor—and the magnificent building of to-day, a palace among palaces, one among many signs of State and Municipal development in Hungary.

REPLIES TO CRITICISMS

I conclude by referring to one or two current criticisms, and doubts, and difficulties which have been suggested, and to which some expression has just been given in the

rather partisan and pessimistic letter from Lord Rosebery, which Mr. Cargill has just read. (*Hear, hear.*) I replied to much the same statements and inferences from them in the House of Commons, which led to a party leaflet being withdrawn; but, since then, at your Annual Meeting in 1908, Lord Rosebery has repeated and regretted that in the List of Comparative Statistics, showing the proportion of depositors to population, Great Britain stands low, or, as in the leaflet, the last on the list; and this alleged fact is apparently held to indicate the decay of thrift in our people, an inference which is inopportune here, and difficult to reconcile with the great increase of our Savings Bank deposits in any series of recent years. (*Hear, hear.*) These deposits are now nearly eight times greater than in 1850, and five times higher per head of the population.

During the last decade, the number of depositors increased by upwards of three millions, and is now nearly thirteen millions, which is a large proportion of the population of the country, being almost a quarter of the whole, and, of course, a much higher percentage of the adults. While, therefore, Lord Rosebery may have some justification for his sumptuary censure of many of the classes, Savings Bank statistics absolve the masses, and show their order to be still thrifty and thoughtful; especially, as the average amount of deposit has declined, which, having regard to the totality of the deposits, shows not only an increased number of the depositors, but that they are poorer individually, and so consist of the classes contemplated by the Savings Banks Acts, who, it is clear, are quite as thrifty, or more so, than ever. But I do not delay to dispute or discuss the allegation of fact,—except to add that Lord Rosebery has been misled in putting Norway at the head of the list, since Denmark has a greater proportion of depositors, which may well be accounted for by the high agricultural and business

organisation of that little, but progressive, State,—since the answers to the inference drawn by Lord Rosebery from the list are conclusive. There can, indeed, be no such international comparison, for there are no common data available to test relative providence. Almost every circumstance differs ; there are no constants, only variants. *E.g.* Britain limits ordinary deposits to a total of £200; elsewhere the limits are higher, or there are no limits at all. The maximum British interest is 2½ per cent.; in other countries it is invariably higher, and sometimes more than double, and so attracts deposits, as is also done, in some cases, even by State Lotteries ! In many countries the areas of investment of Savings Banks' deposits are much wider, as are their powers of making loans, and enable greater inducements to be offered to depositors, while, in New York, Savings Banks are preferred creditors of insolvent Trust etc. Companies, and elsewhere deposits are exempt from taxation. But, which is even more conclusive, in most Continental countries the Savings Banks are State or Municipal Institutions, and are the chief, and often the only, channel for the investment of savings and the practice of thrift, for which there are thus comparatively few openings, while in Great Britain the organised means and inducements for such purposes are infinitely greater. For instance, the failure of the Rochdale Savings Bank, some sixty years ago, was an evil from which sprung great good in another form of saving, viz., the birth of the great Wholesale and Retail Co-operative concerns ; while other British sources of investment of savings are not only the Military, and Naval, and Railway, and Miners' Savings Banks, and others, such as the Yorkshire and National Penny Banks ; but also our great Land and Building, Friendly, Trade, Benefit, Industrial, Provident, Prudential, Benevolent, Philanthropic, Mutual etc. Assurance, Deposit, and other Societies, Associations,

Clubs, and Funds; Workmen's Compensation Schemes; Banking Organisations registered under the Act of 1893; and innumerable other agencies of Thrift, which are directly or indirectly used as Savings Banks—as they are in fact used as substitutes for such Banks in those parts of the United States where there are no Savings Banks—and which have been estimated to have absorbed nearly, if not quite, as much as the Savings Banks themselves, in forms which have as yet no comparative counterparts on the Continent, or in our Colonies. (*Applause.*) There are in our country, apart from the Savings Banks, some thirty-five thousand registered Provident and other Societies in aid of Thrift, with a membership of nineteen and a half millions, and upwards of £184,000,000 of accumulated funds. Adding to these the more than fifteen thousand and a quarter Savings Banks, with their twelve million depositors, and funds of £242½ millions apart from other and surplus assets, we arrive at fifty thousand organised associations, which have enrolled nearly thirty-two millions of members, who have saved and accumulated from their small savings no less than nearly £427,000,000 sterling! Who, then, shall say—even in preaching to the converted, and so tend to discourage, rather than encourage, the organised and associated saving of at any rate the poor and labouring classes—that their thrift shows even the signs or seeds of decay or improvidence, or of want of self-denial or self-respecting independence? (*Applause.*)

THE SAVINGS BANKS AND OLD AGE PENSIONS

So much for comparisons, or rather contrasts; now a word as to a doubt entertained by some who have full, and some who have less, knowledge of Savings Bank affairs—I refer to the economic effect of Old Age Pensions. It is easy enough to cry 'Socialism,' and there are many to whom

such a far cry is sufficiently deterrent; but you educated Scotsmen have learned some of your philosophy from Locke, and so to distinguish words from things. (*Hear, hear.*) You are not of those who, in their horror of socialists, would even go back in water-supply to the pail and hill of Jack and Jill, and take their consequences in worse head damage than already afflicts them. (*Laughter.*) But for Savings Banks and Friendly Societies, and the like, which have made habits and characters, and so national character, there might, perhaps, have been some room for doubts; but these have taught the people not only to save, but to spend wisely; to be penny wise, but not pound foolish; for merely to hoard, or to stint and starve, and so to stunt, is no good, and parsimony is not economy, while to be a miser is misery. One of the first and best lessons of the Savings Banks themselves is that the Banks are not merely to accumulate, but to invest for the future, with all its changes and chances of this mortal life. (*Hear, hear.*) And these lessons have learned men and women of seventy years of age to make their pension pittances a useful supplement, the complement of their banked, hard-earned savings, and Savings Banks will thus be advantaged rather than injured by pensions, for there will be an increased inducement to make more savings, to be eked out towards greater comforts, instead of penal penury, in old age. (*Applause.*) Moreover, the economic justification of pensions consists in their conducing to the efficiency of the workman, and so to the interest of the State, by sustaining his hope of escaping the workhouse—of which, to his credit, he has a holy horror—and giving him some prospect of sustenance, and even some few comforts, in the closing years of his life, and also in the reduction of pauperism, and so of the rates, for, in this sense a pension put into one pocket of the pensioner is taken out of his other pocket, and is, *pro tanto*, a saving to the community.

(*Hear, hear.*) And thus the Savings Banks, which Defoe coupled with Pensions, 'in order to banish pauperism,' have worked and will work, not on diverging, but on parallel lines, in teaching habits of thrift, providence, and forethought; since it is common experience that one who is thrifty in one thing is otherwise thrifty, if he has the means and opportunities of applying his self-denial towards his future independence, and especially his provision for old age. For saving is a temptation to save, and, moreover, depositors are very unlikely people ever to come upon the rates. So that the Banks and the State have been co-operant to the same end, and both have made that end economically attainable; and what might have been doubtful, or even dangerous, without the service of the Banks, is made safe and economic, and also a source of saving to the State. And, if only from that point of view, and now that the reduced interest is no longer a State bonus upon Thrift, my own opinion is that some limitations and restrictions, imposed when such was the case, might with advantage be reduced or removed, such as the limits on the amounts to be deposited and on the number of accounts, the former being now at variance with improved conditions and means, and the latter a restriction always of doubtful utility, and now less needful when loss to the State has been prevented, and not two per cent. of the deposits are made by classes other than those contemplated by the Statutes. And there is one special instance of unwise restriction which ought, I think, as suggested by your Scottish Judges, to be removed at once, viz., that which prevents the immediate deposit in a Savings Bank of all moneys awarded under the Workmen's Compensation Acts, which are otherwise too apt to be speedily and wastefully dissipated. (*Applause.*)

THE SAVINGS BANKS AND COMMERCIAL BANKS—BANK RESERVES

Again, some Commercial Banks profess to fear the competition of the Savings Banks, but the small sums which can alone be placed in the latter are often the beginnings of business and of capital, and the Savings Banks are thus feeders of the Commercial Banks. (*Hear, hear.*) The capital created through the Savings Banks is almost incalculable, and it has added enormously to the wealth of the nation and to its Commercial resources, as well as to the welfare of the individual depositors. On the other hand, some Commercial Banks take deposits of small savings, while others have Savings Bank Departments; and, in all cases in which such savings are taken on deposit, the statutory and other regulations of the Savings Banks, as to Returns, Inspection, etc., should be applied, as has just been partially enacted by the New York State Legislature. (*Hear, hear.*)

Another question affecting the Savings Banks is that of Reserves against a run upon the Banks; but this has occurred, and has been met by mutual assistance, and if such a Reserve is to be made, it should not be at the expense of the depositors, or, as usual, ultimately, by some reduction of their interest, but at the cost of the State, which enjoys the benefit of the savings of the people, and has frequently used such savings, not for their, but for its own, advantage in effecting financial conversions and other monetary operations, a matter which ought to have legislative attention. (*Hear, hear.*)

And now I give you, with all honour, the toast of the 'Savings Banks.' In civic language—may they flourish for ever, roots and branches. And may our Banks always retain and cherish that honorary and most honourable service of

Trustees and Managers. That has chiefly made them what they are, by securing for them the performance of public and private duty,—which is the chivalry of the days in which we live,—in teaching men and women the lesson which, in the poverty of my own language, I borrow from the wealth of Shakespeare, in order to teach me to say all in a single verse :

> 'This is the way to thrive,
> And we were blest, and Thrift is blessing.'

(*Loud applause.*)

Sir Albert Rollit associated with the toast the Lord Dean of Guild of Glasgow, Chairman of the Glasgow Savings Bank.

Lord Dean of Guild (Mr. PEARCE CAMPBELL), Glasgow, in replying, said : I desire at once to assure you how very deeply I feel the honour of the prominent place you have given to my name in the programme to-night as spokesman of the whole of the Savings Banks in Great Britain, an overwhelming responsibility if I attempted to fulfil all it needed. I am well aware this is a tribute to the largest Savings Bank in the British Empire (*Applause*), and am sure my colleagues in Glasgow appreciate the compliment quite as much as I do. It would indeed be a very great pleasure, if the term pleasure is at all applicable to the ordeal of public speaking, which I for one entirely doubt (*Laughter*) —it would be a great pleasure to be privileged to act on an occasion like this, not only to speak to, but for, such a large assembly as is gathered in Edinburgh to-night. This assembly indicates the most gratifying encouragement to the Centenary celebration of Savings Banks in Scotland, and is representative of the widespread interest in Savings Banks — these great institutions which we are reminded found their origin in Scotland, in a small Dumfriesshire village, a hundred years ago, and which have since swelled to the huge system with which we are all familiar, and the

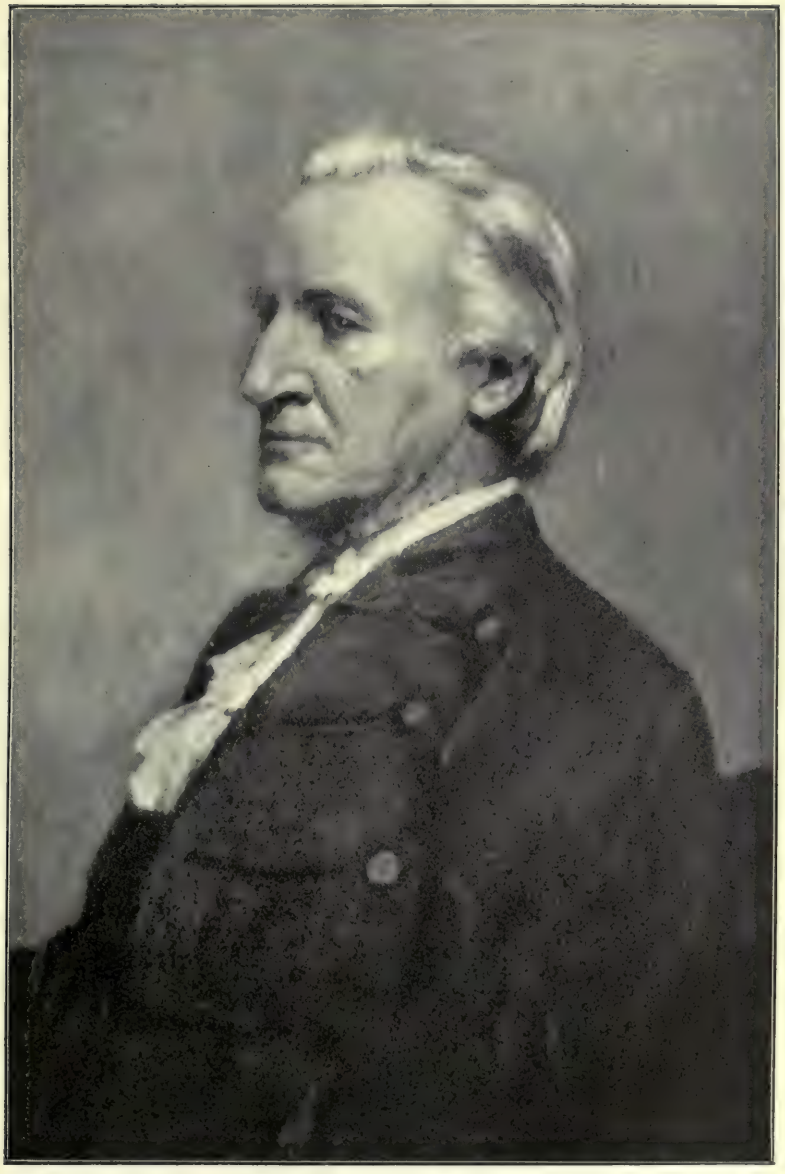
prosperity of which is a matter of such real and vital interest, one may almost say, to hundreds and thousands of our fellow-citizens. I have some special duties to perform in connection with this toast, and I discharge them with the greatest pleasure possible. I have to thank Sir Albert Rollit for the stimulating speech he has just delivered, a speech which I hope will be published along with the other proceedings of this Convention, so that we may read, learn, and inwardly digest it to the advantage of the whole work of Savings Banks. Sir Albert Rollit is altogether in an exceptional position as Chairman of the Inspection Committee. He has therefore unrivalled opportunities of an intimate acquaintance, not only with the whole system of organisation of Savings Banks, but with the administration of any special Bank in particular; and he would be bold indeed who, without very careful consideration and preparation, criticised or supplemented anything which Sir Albert Rollit has to say or do. (*Applause.*) I certainly will not be bold enough to say one word further about what he said to us to-night. In the second place, I have to thank you gentlemen, and in so doing, we are practically thanking each other, but all the same I thank you very much on behalf of the Savings Banks, for the very cordial way in which you have come to support these meetings, and endorsed the sentiments which have been expressed by Sir Albert Rollit in proposing the toast. And last, but by no means the least of the duties I have to perform, is one in which we shall all be enthusiastically unanimous, and it is to thank our friends in Edinburgh for their unstinted efforts to make this Convention a success. (*Applause.*) They have laid us under a very deep debt of gratitude, and I cannot but feel that all the trouble, and I know it has been immense, of organising these meetings should have been shared by some of us. But it is the penalty of greatness,

M. PEARCE CAMPBELL, Esq.
Lord Dean of Guild, Glasgow, and
Chairman of the Glasgow Savings Bank

and, as representing the capital of Scotland, they have undertaken the duty. (*Applause.*) I can only say I hope in the very sincere appreciation of all they have done for us, both in the way of comfort and entertainment of the delegates, they will find their reward. (*Applause.*) Now, gentlemen, I know I must be brief, and I will be brief, but it is almost irresistible that I should say one word on that which is nearest my heart in this connection, namely, the Savings Bank of Glasgow. (*Applause.*) Apart from my official position in regard to that institution, will you pardon a personal allusion by way of explaining and justifying an extreme interest in it on my part? A grand-uncle and my grandfather were two of the founders of the Bank in Glasgow in 1836 (*Applause*), and curiously enough my family has never failed to have a representative on the Board during all the succeeding years. Under these circumstances, it would be strange indeed if I were not deeply interested in the welfare of that institution. It is in no spirit of boasting that I say that Glasgow, which has by far the largest Savings Bank in the British Empire, at the last balance in November 1909, had, including the surplus which is there as a security to depositors, no less a sum than £11,027,186, for which they were responsible to the public. (*Applause.*) That represents about one-sixth of the whole amount in the Trustee Savings Banks in the United Kingdom. There are eleven Savings Banks with together over twenty-six million pounds of deposits in the Ordinary Department, representing about one-half — and this is a point which I wish to bring home. No doubt it is perfectly familiar to every one who knows about Savings Bank work, but it may not be familiar to those who have never studied the balance-sheets. Taking Glasgow as a sample, and it is very like all others, and deducting the surplus, we have £10,685,248 of direct deposits spreading over 237,654 accounts. But the interest-

ing point is this, as showing how the Savings Banks are serving exactly the class of people for whom they are intended. Of those large deposits 66 per cent. are in deposits of £30 and under, of which 47 per cent. are in deposits of £10 and under. (*Applause.*) That, ladies and gentlemen, I think, speaks for itself. We have all of us in Savings Banks to contend with severe competition. There are rubber shares, and all sorts of inducements offered to the public, which suck away the savings of the people. We have emigration, which is taking away an enormous amount of capital which we can scarcely realise the amount of. In spite of all that, the Savings Banks have an assured future before them, because they are serving the class of public to whom outside investments are of comparatively little interest. Gentlemen, I could speak further on this subject, but it would be injudicious. I have no desire to get into the class of public speaker described as a bore, which is the worst and last stage of all. I have the greatest pleasure in acknowledging this toast on behalf of all the Savings Banks, and cordially and sincerely hope this convention may be productive of every stimulus in the work we are all engaged in, and that the Banks may long continue to prosper. (*Loud applause.*)

The Rev. Principal WHYTE, D.D., in proposing 'The Memory of the Founder of Savings Banks,' said: I give you a toast that I feel sincerely and honestly is an honour to propose—'The pious, revered, and beloved memory of Dr. Duncan.' I shall confine myself to a very few words about our great founder and patron saint, and a true saint he was. It would be like carrying coals to Newcastle and sending owls to Athens if I began to speak of Dr. Duncan's banking genius in a great company of bankers like this, and I shall not commit the indiscretion of attempting such a thing. But perhaps it is not out of place if I should say a word, being an old minister myself, about an old minister



PRINCIPAL ALEXANDER WHYTE, D.D.
SENIOR MINISTER OF SAINT GEORGE'S UNITED FREE CHURCH, EDINBURGH

*(From a painting by Sir James Guthrie, P.*R.S.A.)

who belonged to a generation before mine, and did such splendid work as this splendid gathering testifies to-night. There is a great literature to draw from if one had time to speak about Dr. Duncan and Savings Banks. I have had some good reading since I had the prospect of being here, and I have had my knowledge enlarged and sympathy deepened in connection with this movement, and in connection with the great man whose name it is an honour to my lips to pronounce in your hearing to-night. I recently read an article in the *Encyclopædia Britannica* on Savings Banks. It is a volume in itself, and it sets out with characteristic power and completeness the monumental work of that famous Scotsman, Dr. Duncan. Then I took up our own *Chambers's*, and found there a delightful, short, crisp, beautiful article on Savings Banks. Perhaps better than any is an article by the late Professor Blaikie, in the *Dictionary of National Biography*—short, clear, genial, and sympathetic. Then I hear that the great-granddaughter of Dr. Duncan is with us. (*Applause.*) If she is within reach of my voice, I congratulate her on her admirable biography of her great-grandfather. (*Applause.*) I believe it has been produced with a view to this centenary, and it has been published by a well-known firm in this city. I commend it to you all as a delightful history of a very remarkable man, telling his life, character, experience, and attainments in most delightful English. (*Applause.*) I recommend *The Life of Dr. Duncan*, by his great-granddaughter, Mrs. Hall, to this great company, and to as many as my voice can reach in Edinburgh. Then there was an article in the *Scotsman* yesterday. When one is interested in a subject it is wonderful how many things turn up to add to one's knowledge and to increase one's interest. Well, yesterday, in the *Scotsman*, there was a remarkable column on 'A Notable Centenary,' with the initials 'A. C.' at the end of the article, and it does

not require a wizard to say who the writer is. (*Loud applause.*) I cut it out to preserve it, and I recommend every one to cut out any good article they see and preserve it, and it will turn out useful some day when they have to make a speech on the subject. If you did not read this remarkable article by Mr. Cargill yesterday, you must read it to-night before you sleep. I congratulate him on his contribution to the literature on the subject. (*Loud applause.*) As I was reading all these things it struck me as remarkable that every one of them referred to Chalmers. They all touched on the parallel that obtains between our fellow-countrymen, Dr. Chalmers and Dr. Duncan. The parallel is suggestive and beautiful, if this were the time and place to dilate on it. The first parallel is that both were parish ministers in the old Kirk of Scotland. The second is that they both went through the extraordinary, profound, spiritual experiences which Dr. Hanna tells with such spiritual insight in incomparable chapters, on his father-in-law, and Mrs. Hall touches with great beauty on the same experiences in her great-grandfather's life. The parallel between Chalmers and Duncan in the eventful and far-reaching period of their life is very beautiful and instructive. They both had the same bottom of sagacity in their Scottish minds. They were characteristically Scotsmen with sound Scottish sense, and combined with a great openness and hospitality of mind. (*Applause.*) Nothing is more remarkable about Dr. Duncan as well as Dr. Chalmers, than their geniality and hospitality of mind to every new movement and question, whether in politics or in science or in social questions, and they ran parallel in another most remarkable way. Dr. Duncan was working out, in his own obscure and remote parish of Ruthwell, the same problem as Chalmers was working out in St. John's Parish, Glasgow, on such a high plane as still commands the admiration of the world.

There is the same dealing with questions of unemployment, poverty, sickness, and vice. Dr. Duncan was dealing with those problems on the same lines; on the same wise, Christian, statemanlike lines, in his village as Chalmers was doing in the parish of St. John's. The parallel between these two men was in all these respects very striking. (*Applause.*) Now, to sum up this, I will give you from Dr. Blaikie's remarkably beautiful article in the *Dictionary of National Biography*, his summary to Dr. Duncan's character: 'Duncan was a man of most varied accomplishments—moral, intellectual, social, and spiritual. With the arts of drawing, modelling, sculpture, landscape gardening, and even the business of an architect, he was familiar, and his knowledge of literature and science was varied and extensive. In private and family life he was highly estimable, while his ministerial work was carried on with great earnestness and delight. (*Applause.*) The stroke of paralysis that ended his life on 19th February 1846, fell on him while conducting a religious service in the cottage of an elder.' So ends Dr. Blaikie's beautiful sketch.

Beyond that, ladies and gentlemen, nothing can go. I therefore now thank you for the honour of offering you the toast, 'The Pious Memory of our Founder and Patron Saint, Dr. Duncan.' '*They rest from their labours, and their works do follow them.*'

The company stood and honoured the toast in silence.

The CHAIRMAN.—My Lords, Ladies, and Gentlemen, we have to tender Principal Whyte our heartfelt thanks for the beautiful tribute he has paid to the memory of the Founder of Savings Banks. (*Applause.*)

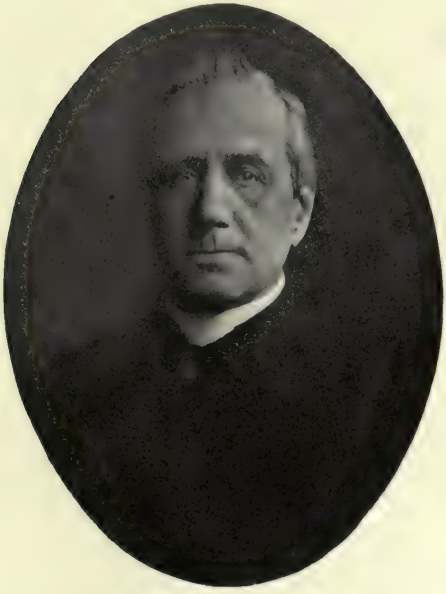
The Right Rev. the Moderator of the United Free Church of Scotland (Rev. Dr. JOHN YOUNG), in proposing 'Kindred Institutions Abroad,' said: Whatever differences of opinion there may be among us on matters ecclesiastical in Scotland,

there is, I am sure, but one opinion as to the necessity for the most friendly co-operation and kindly helpfulness between the different branches of the Church in our land, and especially between different ministers of those branches, and it is in the spirit of co-operation and friendliness that I arise, at five minutes' notice, to take the place of Dr. Macadam Muir to propose this toast. (*Applause.*) If there should be co-operation and kindness between the churches, there ought also to be kinship between the nations, and no better kinship can be shown than in the practice of thrift and establishment and maintenance of Savings Banks, for as people become thrifty they become more watchful over the expenditure of the nation, and more inclined to take care of their country, and not have peace disturbed by war. In Scotland we have a great reputation for Savings Banks, but in other countries they have had Savings Banks even before us, although perhaps they have not been so successful as those in Scotland. I am sure we desire that all those nations should prosper, and that the people of those nations, especially the working classes, should be able to have money to put into the Savings Banks, and have wisdom to put it in the Savings Banks that they have. (*Applause.*) I couple this toast with the names of M. le Comte de la Panouse, Paris, and Dr. Delprat, Rotterdam, for the Continent ; Mr. C. Stuart Patterson, Philadelphia, for America ; and the Hon. John Kidd, Sydney, for Australasia.

M. le Comte DE LA PANOUSE, who was received with prolonged applause, replied in French : Monsieur le Président, Mesdames, Messieurs, Mon premier devoir en me levant au milieu de vous, doit être de rendre un hommage ému et respectueux à la mémoire du grand souverain dont vous déplorez la mort.

Vos justes regrets sont universellement partagés. Le Roi Edouard tenait dans le monde entier une place si

THE VERY REVEREND PEARSON M'ADAM MUIR, D.D.
MODERATOR OF THE ESTABLISHED CHURCH OF SCOTLAND (1910)
(*Photo by Moffat, Edinburgh*)



THE REV. JOHN YOUNG, D.D.
MODERATOR, UNITED FREE CHURCH OF SCOTLAND (1910)
(*Photo by Marshall Wane*)

utile et si prépondérante ! Il aimait la France, y venait souvent et l'on peut dire avec vérité que c'est en France qu'il a vécu les dernières heures de son existence active.

Je vous apporte au nom des contrées du continent, dont je suis aujourd'hui l'interprête, l'expression de la plus profonde et de la plus douloureuse sympathie !

Mesdames et Messieurs, laissez-moi vous remercier de l'accueil que nous rencontrons ici ; cet accueil, nous nous y attendions, il est célèbre, on l'appelle l'hospitalité écossaise.

Si l'hospitalité est une des marques du caractère écossais, la galanterie paraît être une qualité particulièrement française.

A ce titre et, aussi au nom d'un sentiment de justice, qu'il me soit permis d'évoquer le souvenir d'une anglaise qui fut une grande bienfaitrice de l'humanité.

Très préoccupée du sort des femmes et des enfants, très désireuse de leur préparer un meilleur avenir, Mrs. Wakefield, à Tottenham en 1798, fondait une caisse destinée à recueillir, chaque mois, les modestes économies de ces pauvres gens, afin de les faire fructifier. C'est, en réalité, la première caisse d'épargne vraiment digne de ce nom.

Du reste, à cette époque, un peu partout, sur le continent, on voit, avec des formes diverses, surgir des caisses de prévoyance : à Hambourg, à Kiel, à Altona, à Berne, à Genève. Paris est venu plus tard. C'est en 1818 que Benjamin Delessert, uniquement soutenu par l'initiative privée, créa notre caisse d'épargne et de prévoyance.

Ceci me ramène en Ecosse. Grand industriel, Benjamin Delessert, était attiré en Angleterre, par James Watt ; mais, savant et littérateur aussi, il visita la Ville d'Edimbourg, qui brillait alors d'un si vif éclat, qu'elle méritait le glorieux surnom de l'Athènes du nord. Il y rencontrait des philosophes,

des économistes fameux, Stewart et Smith. C'est en se livrant, avec eux à l'étude des questions sociales, nous affirme un historien, qu'il conçut la pensée de fonder la caisse d'épargne de Paris. Vous le voyez, messieurs, les félicitations que je vous adresse en ce moment sont bien sincères, puisqu'il s'y mèle un sentiment de reconnaissance.

Célébrez donc, avec fierté, votre centenaire. En organisant sa caisse d'épargne, Edimbourg a été un modèle, a donné un exemple, dont ont su profiter toutes les nations du continent, pour leur honneur et pour le plus grand bien de l'humanité.

(*English Translation.*)

Mr. Chairman, Ladies, and Gentlemen, my first duty in rising in my place must be to render homage to the memory of the great Sovereign whose death we deplore.

Your just regrets are universal—the world sympathises. King Edward held in the whole world so useful and pre-eminent a position. He loved France, he came there often, and one can truly say that it was in France that he lived the last hours of his active life. I bring you in name of the countries of the Continent, of which I am to-day the mouthpiece, the expression of the deepest and sincerest sympathy.

Mr. Chairman, ladies and gentlemen, allow me to thank you for the welcome which we receive here ; this welcome we anticipated ; it is celebrated ; it is called ' l'Hospitalité écossaise.' If hospitality is one of the marks of the Scottish character, gallantry appears to be a quality particularly French. In this connection, and also in the name of a sense of justice, I think it should be permitted to recall the memory of an Englishwoman, who was a great benefactress to humanity, very solicitous of the lot of women and children,

M. LE COMTE DE LA PANOUSE
PRÉSIDENT DU CONSEIL DES DIRECTEURS
DE LA CAISSE D'EPARGNE ET DE PRÉVOYANCE DE PARIS
AND
MEMBER OF THE LEGION OF HONOUR

very desirous of making for them a better future. Mrs. Wakefield, at Nottingham, in 1798, founded a Bank for the purpose of receiving each month the modest savings of these poor people. That is, in reality, the first Savings Bank truly worthy of the name. Of the rest, at this epoch, on the Continent, one sees in diverse forms, the formation of Provident Banks at Hamburg, Kiel, Altona, Berne, Geneva, and, later, Paris. It was in 1818 that Benjamin Delessert, supported only by private initiative, created our Savings Bank. This brings me again to Scotland. Benjamin Delessert, a great captain of industry, was drawn to England by James Watt, but, savant and litterateur also, he visited Edinburgh, which well merits the glorious surname of the 'Athens of the North.' There he met the philosopher, Dugald Stewart, and famous economist, Adam Smith. It was in reading, along with the study of social questions, a historian affirms, that he conceived the idea of founding the Savings Bank of Paris.

You see, gentlemen, the congratulations I address to you at this moment are very sincere, for they are mingled with a sentiment of gratitude. Celebrate, then, with joy, your Centenary. In organising its Savings Bank, Edinburgh has been a model, has given an example of which the nations of the Continent could profit, for their honour, and for the greatest good of humanity. (*Loud applause.*)

Dr. DELPRAT, Rotterdam.—In the name of the Rotterdam Savings Bank, I hope you will allow me also to say a few words. (*Applause.*)

I must begin by asking your indulgence, as I intend to speak about my own institution.

The Savings Bank at Rotterdam was established in 1818. On looking through some of the very oldest rules and regulations of our institution, I had often been struck by the fact that, from 1818 to 1850, practically no alterations were made

in the regulations made at the foundation, and this gave me cause to admire my compatriots of those days who were able to found a new business so very thoroughly from its inception. (*Applause.*)

When I later on made a thorough study of the origin of Savings Banks in general, I came across an old Dutch pamphlet of the year 1817, wherein a description was given of Scottish Savings Banks. On going further into the matter, I was able to trace the origin of this pamphlet to an article in the *Edinburgh Review* or *Critical Journal* of the 15th June 1815, which was published in this great city ninety-five years ago. In this article mention was made of three pamphlets, of which one titled, 'A Short Account of the Edinburgh Savings Bank,' contained directions for establishing similar Banks.

On further research, I found that this article in the *Edinburgh Review* had caught the attention of the writer of the Dutch pamphlet of 1817, which is a translation of the English original. Following on the lines of the article in the *Edinburgh Review*, my predecessor appears to have drawn up Dutch rules and regulations for a Savings Bank. Those draft-regulations served in 1818 as basis for the first rules and regulations of our Savings Bank at Rotterdam. The admiration I at first held for my compatriots, in that they were able to form from its inception a Savings Bank on such sound principles, I have since transferred with pleasure and appreciation to the citizens of this great town. After ninety-five years we may declare, in the words of the *Edinburgh Review* of 1815, that those regulations also proved to be for our Savings Bank, as the writer of those days stated, 'as simple and perfect as possible.' (*Applause.*)

Under these principles, 'as simple and perfect as possible,' our Rotterdam Savings Bank has always been guided by

our foreseeing forefathers, and been able to develop and establish its present name.

It behoved the Rotterdam Savings Bank to come to Edinburgh, the native soil, not only in a spirit of thankfulness for what it has learned from them, but also to imbibe further lessons for future guidance ; because although many of the Savings Banks in Belgium, France, Germany, Italy, and Austria are well known to us through personal observations, the Savings Bank at Rotterdam is now desirous, since she has discovered that Scotland is really her native country, to also make personal acquaintance with the great Scottish Savings Banks. (*Loud applause.*)

We greatly appreciate that your Centenary gives us such a desirable and pleasant opportunity.

In the name of the Rotterdam Savings Bank, sprung from Scottish origin, I have pleasure in presenting to you from across the North Sea, which washes our mutual shores, our sincerest congratulations and best wishes for the future welfare of the Scottish Savings Banks. (*Loud applause.*)

Mr. C. STUART PATTERSON, Philadelphia, replying for 'America,' said : When Mr. Cargill asked me whether he should suggest my name for one of the speakers, it led me to ask him what I had better speak about. He said, 'You had better speak about five minutes.' (*Laughter.*) I cordially accepted his limitation, and trust I shall not stray beyond it. It is not only the cordiality of your welcome, not only the generous character of your hospitality ; it is not only that those of us who are proud to claim Scotch blood in our veins feel we are now here at home. It is also, and even more, because every American whose hours of toil are lightened, whose life has been made richer by the study of that literature written by Scotsmen, which is one of the priceless possessions of the human race—it is because every American whose aspirations for civil and religious liberty

have been kindled to greater enthusiasm by the glorious history of Scotland, that every American knows when he sets forth for your shores he is entering into his heritage. (*Loud applause.*) It only remains for me, standing as one of the representatives of the Savings Banks of America, to congratulate the Edinburgh Savings Bank on its hundred years of growth and prosperity; to congratulate it still more because it has been the pioneer in a movement which has proved of incalculable benefit to the human race, and to wish to the Edinburgh Savings Bank continuing centuries of prosperity. (*Loud applause.*)

The Hon. JOHN KIDD, Sydney, replying for 'Australasia,' said: It would not be wise to take up much of your time after all the excellent speeches we have heard this evening. They have been quite a treat, quite a revelation, and it would be very much better if we could have meetings of this character in our own country, as they would be very instructive. I have enjoyed every address that has been made, more especially from Lord Salvesen and Mr. Clyde. I have been in public life in my own city for twenty-four years. I have been in that period under three ministries, so I know something about the small things in politics, if not the larger. I read with great interest the proceedings of the House of Lords and House of Commons, and endeavoured to keep in touch with things in the mother country. I have been absent from Scotland for about fifty years, but I always keep in touch with what is going on here. Reference was made to the dispute with the House of Lords, but all my experience leads me to say that an Upper House is a safety-valve for every house under the sun. I would not like to see the powers of the House of Lords much curtailed; because, with a popular vote in the House of Commons, a question might be raised that is very disastrous to the country if it is decided by one House. In our country the ladies have the

franchise. They have had it for some years. That was not obtained by hysterical persons rushing through the country and trying to force the House of Commons to give the franchise. They obtained it in a quiet and reasonable way. Now, they are a great help in the community in regard to social legislation, and in bringing about what is desirable for the welfare of the people. As to the fear some have in regard to the Commonwealth Government in Australia being a Labour Government, I have no fear from the knowledge of the men who constitute that Government, and from my experience of labour men in State Parliaments, I have no fear that they will drive capital out of the country. The fact is that the prosperity of the Commonwealth of Australia is more than assured at present. We had a bitter experience during the financial crisis of 1893, but since that time all the commercial and banking institutions have placed themselves in such a position that that cannot occur again for many a day. Banks have strengthened their position, and credit is better than ever, and the resources of the country greater. We have only four millions of a population, but there is room for fifty million, and that will come about by and by. The Savings Bank I represent in Sydney is now in its seventy-seventh year. The Government of that day, which was not under a Constitution such as we have now, guaranteed £50,000 against any crisis that might arise, but down to the present time we have not required a shilling. We have £7,000,000 deposits of our own, and £400,000 of reserve, so that there is no possible risk of any crisis in regard to Savings Banks in Australia. In the aggregate we have in the Commonwealth over £50,000,000 in Savings Banks. When you consider that we have just 4,400,000 of a population, you will regard that amount as pretty creditable. I thank those who are responsible for the Conference in Edinburgh for the handsome way in which

we have been received. Every day we have had something new, and this is the crowning of all. I never enjoyed a public gathering better than the meeting we have here to-night. (*Loud applause.*)

Mr. HERBERT J. GUNNISON, Brooklyn, U.S.A., proposed 'The Lord Provost, Magistrates, and Council of Edinburgh,' and (owing to the lateness of the hour, 11 P.M.)[1] in a word referred to the Edinburgh of the past, with its magnificent history, great men and great achievements, and to the Edinburgh of the present, the most beautiful of all cities. (*Loud applause.*)

The LORD PROVOST of Edinburgh.—I just desire to say in the name of my colleagues, some of whom are here to-night, both Magistrates and Town Councillors, that we thank the gentleman from America, Mr. Gunnison, for the admirable way in which he has spoken of our beautiful city of Edinburgh. I thank you for the manner in which you, sir, have proposed the toast, and, in the words of the well-known song, I say, 'Will ye no' come back again.' I hope you will come back again, and come back very soon. (*Applause.*)

Mr. J. L. EWING, Master of the Merchant Company, said: My Lords, Ladies, and Gentlemen, I count it a great privilege to be permitted to submit to you the last toast of the evening, that of my dear and honoured friend, Mr. Wood, Chairman of the Savings Bank of Edinburgh. Mr. Wood is an Edinburgh man born and bred, and is a good type of citizen. We recognise in him a most useful citizen, one who occupies an honour-

[1] It was a great disappointment to all present at the Banquet that the lateness of the hour prevented Mr. Gunnison, who is so well known in America for his oratorical gifts, speaking for more than a minute, and the Editor takes this opportunity of expressing a sincere apology to Mr. Gunnison and his confrères from Brooklyn for not having been able to arrange the programme so that Mr. Gunnison could have been heard earlier in the evening.

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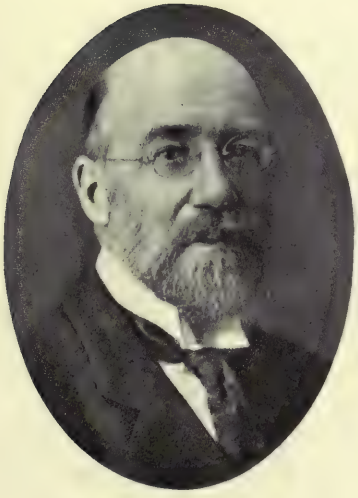

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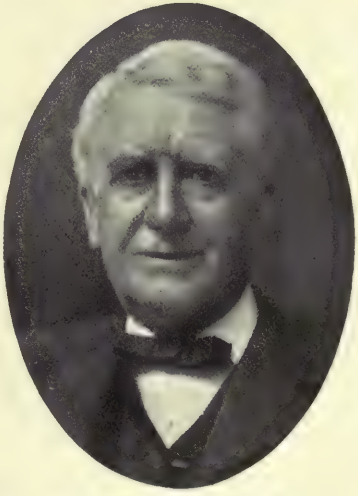

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able position in the great profession of the law, which has so dominant an influence in the city. Above all, we cheerfully recognise that he has given all his time and abilities to the services of the Savings Bank of our city. (*Applause.*) Those of us who are charged with the management of that great institution know well with what diligence he discharges the duties of Chairman, with what courtesy he fills the chair, and how very short he is to those who talk discursively and irrelevantly. Mr. Wood also occupies a position on the Inspection Committee of the Bank, and Sir Albert Rollit will bear evidence to his great usefulness. (*Applause.*) He carries very ripe intelligence and acquaintance with affairs, and is of great service to that Committee. (*Applause.*) I could say a great deal more about Mr. Wood ; indeed, there are recollections which I have of his ability as a sportsman, and I know of his ability on the golf course, but I ask you to drink to his health to-night in token of his usefulness as a citizen, in gratitude for his services to the Savings Bank, and in our high appreciation of the able manner in which he has discharged the duties of the chair on this most memorable occasion. (*Loud applause.*)

The company then sang 'For he 's a jolly good fellow'[1] *con amore.*

The CHAIRMAN.—My Lords, Ladies, and Gentlemen, I consider it a great honour to have been asked to preside on this occasion of the celebration of what I hope, without presumption, may be called a great national event. (*Applause.*) I have to thank my friend, the Master of the

[1] For the benefit of our foreign guests the words of this ditty have been thus rendered in Latin, the universal language, by Mr. W. B. Blaikie :—

Amicum esse blandum,
Benignum et amandum,
Sodalem hilarandum,
Quis potest iam negare?

Merchant Company, for the more than kind words he has used in regard to myself, and also to thank this company for their warm and generous response. I have endeavoured to discharge a most pleasant duty to the best of my ability, and am more than gratified that my effort has met with your indulgent and kind approval. (*Loud Applause.*)

After singing 'Auld Lang Syne' the company then dispersed (at 11.15 P.M.).

THIRD DAY'S PROCEEDINGS

FRIDAY, 10TH JUNE 1910

INTERNATIONAL THRIFT CONFERENCE

DRAFT MINUTES of the INTERNATIONAL THRIFT CONFERENCE, held in the U.F. Church Assembly Hall, the Mound, Edinburgh, on Friday, 10th June 1910. (Kindly supplied by W. S. Cameron, Esq., Secretary Trustee Savings Banks Inspection Committee.)

THE Chair was taken at 10 A.M. by Sir Albert K. Rollit, LL.D., D.C.L., D.Litt., who explained the object of the Conference at some length, introduced the speakers, and thanked them for their contributions to the day's business.

At 10.30, Mr. W. S. Cameron gave the first address, intituled 'A Retrospect of Savings Bank Law.'

At 10.45, Mr. C. Stuart Patterson read an historical account of Savings Banks in America, dating from the year 1816, including a synopsis of Insurance business, and an account of panics during which there had been 'runs' on the Banks, with suggestions as to the best means of dealing with such occurrences.

At the conclusion of this address, Mr. Gunnison informed the Conference that news had just been received that morning of the passing of the Postal Savings Banks Act in the U.S.A. Legislature.

At 11.15, Monsieur le Comte de la Panouse read an

'Historical Resumé of the Legislation affecting French Savings Banks.'

Mr. Davidson, Actuary of the Kirkcaldy Savings Bank, inquired the limits of deposit and rate of interest in force in French Savings Banks, to which the Count replied.

At 11.45, Mr. Jaffrey, Actuary of the Aberdeen Savings Bank, read a paper on 'The Probable Effects of Social Legislation on Thrift Societies.'

In the course of the debate arising thereon, the Rev. Mr. Dinwiddie expressed his views of compulsory thrift, and Mr. Symons, Treasurer of the Dumfries Savings Bank, gave an account of interesting cases of thrift which had come to his notice.

The Hon. John Kidd concluded the discussion by giving his experience and views of Social Legislation and Old Age Pensions in New South Wales.

At 12.20, Mr. Fullerton, Actuary of the Hull Savings Bank, read a paper on 'Savings Banks and the State.'

At 1 o'clock the proceedings terminated with a vote of thanks to the Chairman, proposed by Mr. John Hepper, President of the Leeds Savings Bank, seconded by Mr. Robert Corbet, Joint Actuary of the Glasgow Savings Bank, supported by Mr. Wm. Long, Chairman of the Warrington Savings Bank, and carried with applause and acclamation. Sir Albert Rollit, in acknowledging the same, explained that the day's proceedings would be published, as many desires had been expressed to see *in extenso* the papers which had been read, and at 1.15 the Meeting was adjourned until the evening at 7 o'clock.

The Conference was resumed at 7 o'clock.

In the unavoidable absence of Sir Albert Rollit, who had to return to London, Mr. Fullerton, of Hull, moved Mr. W. S. Cameron into the Chair.

At 7.5, a paper was read by Mr. Robert Corbet of the

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Secretary
Trustee Savings Banks Statutory Inspection Committee
London

(Photo by the Elite Portrait Co., Ltd., London)

Glasgow Savings Bank, intituled 'Aids and Hindrances to the Progress of Savings Banks.'

A debate arising thereon, Mr. Thomas W. M. Watson, C.A., Glasgow, described various institutions concerned in promoting thrift, and advocated placing all of them under statutory inspection.

Mr. Herbert Phillipps, of Adelaide, explained that the same conditions existed in Australia as those which Mr. Corbet had referred to.

Mr. Mallaband, of Sheffield, rose to continue the debate, but the discussion on Mr. Corbet's paper was closed, as time was passing ; and the next speaker had to leave early to catch a train for the Continent.

The cordial thanks of the Conference were accorded to Mr. Corbet for his valuable and interesting paper.

At 7.40 an address was given by Monsieur Houtevelde upon Savings Banks in Belgium.

Mr. Fullerton of Hull inquired whether it was not a fact that Reports in French would be translated and published in English, and was answered in the affirmative.

Monsieur Houtevelde was felicitated on his able Report, and thanked for his interesting and instructive information.

At 7.55, Mr. T. W. M. Watson, of Glasgow, Government Inspector, read a paper on the 'Internal Management and Arrangement of Savings Banks.'

At 8.15, an animated discussion arose thereon, Mr. Mallaband, of Sheffield, giving interesting information as to his practice in the training of his Bank staff.

At 8.18, Mr. Phillipps, of Adelaide, supplemented Mr. Mallaband's remarks, and emphasised the importance of better trained staffs.

At 8.19, Mr. Gray, of Montrose, gave his views upon indexing names, etc., of Savings Bank depositors, and

described his practice of entering names in ledgers and pass-books.

At 8.22, Mr. Drean, of Belfast, explained how he dealt with interest on transfers from Bank to Bank, the transferee getting the account, *i.e.* the principal, with the liability to pay interest from date of issuing the transfer ; the transferor, the interest to date of completing the transfer, and expressed his obligation to Glasgow for many hints and suggestions.

At 8.25, Mr. Crane, of Chester, expressed approval with the Belfast practice, supported Mr. Mallaband's views as to staffs of officers, explained that he himself gave his juniors their Articles as Students of the Society of Chartered Accountants, and pointed out how difficulties arising through limits of deposit were surmounted by means of Special Investment Departments.

At 8.30, Mr. Munro, of Glasgow, spoke upon the book-keeping of Banks, and the deportment and training of the staff, and thanked Mr. Drean for his kind references to Glasgow.

At 8.35, Mr. Archibald Sturrock, of Dundee, confirmed what had been said by Mr. Crane, acknowledged his own indebtedness to Glasgow, and, asking whether depositors' names had not necessarily to be recorded in the ledgers, was informed that such names must be recorded in the books of the Bank, but not necessarily in the ledgers.

At 8.40, Mr. Newton, of Liverpool, gave the history of his Special Investment Department, with the operation of which the depositors appeared to be perfectly satisfied.

At 8.45, Mr. Watson replied briefly to the points raised, with reference more particularly to the views expressed by Mr. Gray as to indexing depositors' names.

Mr. Watson was most cordially thanked for his valuable and instructive paper, which had evoked from experts so

many useful expressions of views and explanations of practice.

At 8.50, Mr. Mitchell, Managing Trustee of the Sydney Savings Bank, the oldest institution of its kind in Australia, gave an interesting account of the establishment and development of that Bank, reviewing its history from 1819 down to the present time.

The cordial thanks of the Conference were given to Mr. Mitchell for his most useful and interesting paper.

At 9.10, Mr. Phillipps read an account of the progress and development of Savings Banks in South Australia, Victoria, and West Australia, and explained their methods of promoting thrift. The paper was listened to with great interest.

At 9.30, Mr. Cockburn Millar, President of the Society of Chartered Accountants in Edinburgh, proposed a vote of thanks to Mr. Phillipps for his most instructive and able paper.

Motion put accordingly from the Chair, and carried with acclamation, Mr. Phillipps being at the same time asked to convey to the Banks referred to by him the thanks of the Conference for their kind and welcome messages.

At 9.35, papers by Mr. Gunnison, Brooklyn, U.S.A., and Mr. Cargill, Edinburgh, were handed in.

The Meeting's thanks were then added to the many similar expressions which had been tendered to Mr. Cargill in the course of these proceedings, for his care and exertions on behalf of the representatives coming to the Conference from abroad, and from far-off parts of the Empire.

On behalf of the Chairman of the Conference, Sir Albert Rollit, the Conference was then declared closed, and the proceedings terminated at 9.45 with a hearty vote of thanks to Mr. W. S. Cameron, the Chairman for the evening, who, in acknowledging the same, expressed his sense of the epoch-making nature of the Conference, and his hopes that its fruits would be substantial and lasting. (*Loud applause.*)

INTERNATIONAL THRIFT CONFERENCE

AN International Conference on Thrift, in connection with the celebration of the Savings Banks Centenary, was held in the United Free Church Assembly Hall, Edinburgh, on Friday, 10th June 1910.

The Chair was taken by Sir Albert K. Rollit, LL.D., D.C.L., D.Litt., Chairman of the Statutory Inspection Committee of Savings Banks, who explained the objects of the gathering, over which he said he felt it a great honour to officially preside. They were all greatly indebted to the Edinburgh Savings Bank, its Chairman Mr. Wood, and its Actuary Mr. Cargill (*Loud applause*), for the opportunity of conferring, comparing experiences, suggesting ideas, and adopting or adapting reforms, upon the subject of Thrift—the husbanding of small resources for future beneficial purposes. Regard for this principle was a chief basis of true success in life for men and women, as it was also a fundamental condition both of the progress and prosperity of the individual and of the stability of States, since disregard of it had been a source of the decay of kingdoms and of empires. (*Hear, hear.*) Hence the duty and obligation of celebrating the memory, the name and fame, of Dr. Duncan, the founder of the first Scottish Savings Bank, for which purpose so many men, women, and representatives of colonies and nations were assembled in Edinburgh, under such perfect organisation, and with such princely hospitality and entertainment. (*Applause.*) Their Savings Bank cause had

the endorsement of such great writers and thinkers as Defoe, Jeremy Bentham, Duncan, Wilberforce, Gladstone, and others, including his own friend, Sir Charles Sikes of Huddersfield, in the Savings Bank of which town his first deposit was made on the day he was christened, and remained untouched, with some additions, until the days when it was of use to invest it in his education, by buying books for his university course, a useful purpose which reminded him that one depositor said that his Bank savings bought him the first overcoat he ever had. His late wife, when Lady Mayoress of Hull, also gave educational prizes for the public elementary school children in the shape of opening for them accounts by making deposits in the Hull Savings Bank, a good plan which served two public institutions and purposes. (*Hear, hear.*) And this day was to be devoted to the development of their great cause and work; for which so much was owing, for sympathetic aid and help, to the honorary trustees and managers of the Banks, who performed, gratuitously, the very best public service, as did, speaking generally and almost universally, the actuaries and staffs of the Banks, whose Savings Bank accountancy had, amid an infinity of figures, been reduced to the accuracy of an exact science; indeed, so well were all these duties rendered that the Inspection Committee had been called upon only most rarely to report or close a Bank—(indeed, since the appointment of the Inspection Committee the closing of Banks had been far fewer than before)—and had almost always received both regard and respect for their recommendations, and even for their remonstrances. And now, speaking, of course, with merely human knowledge, and generally, they were assured that although perhaps in some few respects, in the details of management, there might be things to improve, the great body of the Banks had accomplished reform. Their audits were expert, frequent,

and continuous. They did what was believed to be necessary—they employed professional accountants to take care that their books and accounts were in perfect order. They submitted willingly to, and assisted, Inspection, which was really a supervisory, and so far a second, audit. They had decreased the cost of management very largely, and where the cost of management had decreased, the efficiency had almost always increased. Since the appointment of the Inspection Committee in 1891 these expenses had been reduced from 6s. 2d. (1902) per cent. of the Banks' capital funds to 5s. 9d., and from 9$\frac{3}{10}$d. to 6$\frac{1}{2}$d. per transaction. They had submitted to the advice that had been officially offered them, except in the case of one suggestion, where the Actuary naïvely replied that 'the Trustees thought no change an improvement'; all which was a tribute the Inspection Committee owed to the Banks and their actuaries and staffs, and most gladly paid, as it was their due. (*Applause.*)

After his speech last evening it was not necessary for him to say more on the general subject, but he might do so on the papers, the first of which was by his, and their, friend, Mr. Cameron, Secretary, almost from its foundation, of the Inspection Committee, and to whom, on behalf of his colleagues of the Committee present, Mr. Welton, the Vice-Chairman, Mr. Wood, Chairman of the Edinburgh Savings Bank, Mr. Hepper, Chairman of the Leeds Savings Bank, and for all other representatives, he offered the very heartiest welcome; for Mr. Cameron, who was a Highlander (*Applause*), deserved, and had, for his hard and loyal work, the highest esteem and confidence of every one who knew him. At the banquet last night he (Sir Albert) had said something of Savings Bank laws, and it was with this subject Mr. Cameron would deal, the only additional observation he himself would make being that, like many old British laws, they wanted codification. A Roman Emperor hung his

laws, in the smallest writing, on lamp-posts, and so high that the people could not read them, and then he executed those who disobeyed ; but we were more ingenious—we buried our laws in statutes and cases, then assumed that every one knew the law, and punished those who broke it, which was scarcely the lesson of the satiric aphorism that Law and Equity are two things that God has joined together, and man has put asunder. (*Laughter.*)

Mr. W. S. CAMERON, on rising, was received with loud applause. His subject was—

A RETROSPECT OF SAVINGS BANK LAW.

He said—

Six years have now just about elapsed since the date of the passing of the last legislative enactment relative to Savings Banks, and during the period of eighty-seven years extending back from then until the date of the passing of the first Savings Bank Act, there have been no fewer than thirty-six Acts of Parliament relating to Savings Banks, besides other Acts which do so incidentally only, and in addition thereto various sets of Statutory Savings Bank Regulations have been promulgated by the Treasury, National Debt Commissioners, or Postmaster-General. Of these, the Acts of 1891, 1887, 1880, 1863, 1861, 1844, 1835, 1828, 1824, and 1817 are the most important, and it will be convenient to examine them in order of date, commencing with the earliest, and leading up to the latest in 1904. The whole form a body of law of very considerable dimensions, even after eliminating all repealed enactments, and may be divided into five branches, viz., the law relative to—

(1) Trustee Savings Banks ;

(2) Savings Bank Annuities and Life Insurances ;

(3) Post Office Savings Banks ;

(4) Other Government Savings Banks—Naval, Military, and Seamen's ;

(5) The Investment and Management of Savings Bank Funds by the Government.

All but the first are chiefly of interest to the officials of one Government Department or another, and it will not be practicable to do more than deal with the law relating to Trustee Savings Banks, and even that only very briefly.

Like most of the institutions in our country, Savings Banks are no creation of the law. They made themselves. The Savings Bank system was in its infancy an offshoot from the system of Friendly Societies, the first Act relative to which was passed in 1793; and as Savings Banks grew into shape between 1798 and 1810, the Legislature naturally looked to the Friendly Society Act of 1793 for guidance in providing for the recognition, regulation, and protection of Savings Banks, several sections of the first Savings Bank Act having been adopted *en bloc* from the first Friendly Society Act, and the two presenting several points of analogy, such as local registration, by filing rules with Clerks of the Peace, the vesting of property, arbitration of disputes, summary legal remedies, fiscal exemptions, investments with the National Debt Commissioners, and administration of small estates, while a subsequent Act assimilated Savings Banks still further to Friendly Societies by making their rules subject to confirmation by Justices. The reverse operation is noticeable later on, and especially in 1829, when certain legislative enactments relative to Friendly Societies, including central instead of local registration, were borrowed from those of Savings Banks so mechanically, indeed, that the word 'depositors' appeared in a marginal note to one section of the Friendly Society Act of 1829, although that designation is inapplicable to Friendly Societies, whose constituents

are known as ' members.' While primarily concerned with one and the same aim, viz., the betterment of the condition of the poorer classes, and under reciprocal obligations to one another for inspiration and help, the two classes of institution proceeded on different lines, and are strongly marked off from one another by the fact that Friendly Societies cultivate solidarity, and depend upon the mutual support of members, but Savings Banks foster individualism and independent effort, although, as is well known, there is a link between the two in the shape of the National Deposit Friendly Society, which exhibits the characteristics of both, and which indeed appears to conform more truly to the type of institution devised by Dr. Duncan in 1810 than either Friendly Societies or Savings Banks, as subsequently developed and now constituted.

As regards Savings Bank legislation, Ireland leads the way, for the first Savings Bank Act (57 Geo. III. cap. 105), passed on the 11th July 1817, is intituled 'An Act to encourage the establishment of Banks for Savings in Ireland.' The Act was lengthy, containing thirty clauses and four schedules. A long preamble refers to the object of the Act, which was expressed to be provision for the safe custody and increase of small savings belonging to the industrious classes of His Majesty's subjects.

Several of the provisions of this Act subsist with little modification to the present time, so little disposition is there on the part of the Legislature to depart from anything in the nature of an established precedent, even though out of harmony with modern methods.

The English Act (57 Geo. III. cap. 130) was passed next day, and followed the Irish almost word for word, except that certain penalties against improper investments were enacted in the Irish, but not in the English Act.

The Act 58 Geo. III. cap. 48, of the next year, is note-

worthy for the first mention in any Savings Bank legislation of 20th May and 20th November as the dates on which interest on investments by the Banks with the National Debt Commissioners became due. These dates seem singular, and the only other mention of them, or either of them, apparently to be found about that time is contained in Parliamentary paper No. 153, ordered by the House of Commons to be printed 3rd April 1818, which gives the 20th May 1816 as the date of the establishment of the first Irish Savings Bank.

In 1819, by the Act 59 Geo. III. cap. 62, Savings Banks were legally recognised in Scotland. It alludes to them as 'Parish Banks, or Banks for Savings,' provides for their rules to be exhibited at Quarter Sessions for the Shire or Stewartry, with power to the Justices to annul or allow and confirm the same at a fee to the Clerk of 10s. 6d., a recognition which his brother clerks in Ireland and England failed to secure, for their duty as regards rules of Savings Banks had to be discharged without fee or reward. The depositors were declared to be entitled to the sole benefit of deposits and the produce thereof in manner provided by the rules, save only salaries and other necessary expenses, and the management was required to be honorary, the rules were made binding, exemption from stamp and other duties was conferred, and provision made for the vesting of property, bequest of shares or interest (as deposits in these early Scottish Savings Banks were called), administration on death, and finally the settlement of disputes by the Sheriff or Stewart, or his Substitute. No provision was made for the investment of funds with the Government, or otherwise.

Under the Acts 5 Geo. IV. cap. 62, passed on 17th June 1824, and the 9 Geo. IV. cap. 92, passed on the 28th July 1828, the state of the law relative to Trustee Savings Banks began to assume its present form.

The former of these Acts of Parliament was the earliest statute dealing with Banks in both England and Ireland, and by it the provisions of previous legislation relative to English Banks were applied to Irish Banks.

The latter was a Savings Bank Law Consolidation and Amendment Act. It repealed the five previous Acts (except the Scottish Act of 1819), and embodied most of their provisions, with sundry new enactments.

Under the Act 5 & 6 Will. IV. cap. 57, passed on the 9th September 1835, the provisions of earlier Acts were extended to Scotland, and the Scottish Act of 1819 was repealed, except as to all Banks already established under it, and until any such Banks should conform to, and be established under, the English Acts which the trustees were empowered to do by causing the rules to be prepared, enrolled, and deposited as required by those Acts.

The Act 7 & 8 Vict. cap. 83, passed on the 9th August 1844, partly related to the grant of annuities through Savings Banks, but reduced the Banks' interest, and attempted to penalise fraudulent deposits, and to define and limit the responsibilities of trustees and managers.

The Post Office Savings Bank Act, 24 Vict. cap. 14, was passed on the 17th May 1861, and marked the commencement of a new phase of Savings Bank work. Its effect upon Trustee Savings Banks was twofold, causing the weak or timidly managed to be wound up, but acting as a stimulus in other cases, so that the dismal prognostication of an eminent official of those days, to the effect that he would give Trustee Savings Banks only five years more to live, was completely falsified.

The law relating to Trustee Savings Banks was now in a somewhat chaotic condition, and it was revised and consolidated (28th July 1863) by the Act 26 & 27 Vict. cap. 87, since intituled the Trustee Savings Banks Act of

1863, which repealed all previous Trustee Savings Banks legislation (with the exception of that contained in the 24 Vict. cap. 14, and 26 Vict. cap. 14), set forth in one measure the statutory enactments relating to Trustee Savings Banks, and is still the chief Act of Parliament controlling the conduct and management of this class of Savings Bank.

The Savings Banks Act, 1880, which became law on the 7th September 1880, enabled depositors in Savings Banks to invest in stock through the medium of their deposit accounts.

The Savings Banks Act, 1887 (50 & 51 Vict. cap. 40), passed on the 16th September 1887, authorised regulations to be made for sundry purposes, based upon similar regulations in use by the Post Office Savings Bank.

The Savings Banks Act of 1891 (54 & 55 Vict. cap. 21), passed on the 3rd July 1891, provided for the inspection of Trustee Savings Banks, makes the continuance of the office of trustee of a Savings Bank conditional upon the actual discharge of duties, and effected other important alterations.

The Savings Bank Act, 1904 (4 Ed. VII. cap. 8), passed 1st August 1904, provided for annual appointments of auditors, the payment of expenses of Penny Savings Banks, the Superannuation of Officers, Purchase, etc., of Property, Amalgamation of Banks, and restored the power to make Special Investments.

Throughout the whole of these Acts, certain fundamental provisions are traceable, with occasional modifications in some cases.

Of these, honorary management is the most characteristic, the position of trustees and managers being like the definition of an easement, that of 'Privilege without Profit,' and the sanctity of deposits being another strongly marked feature, for they are not assignable, are excluded from the

operation of the Statutes of Limitation, and (within the limit of maximum deposit) accumulate at compound interest.

Except for the power to make Special Investments, initiated in 1829, checked in 1891, but restored in 1904, the only authorised investment of funds is with the National Debt Commissioners, who act as Bankers, and whose administration of the funds deposited with them has been of transcendental advantage to the State. The Banks (and in turn the depositors) have, however, been subjected to successive reductions of interest, which was originally 3d. per cent. per diem, reduced to 2½d. per cent. per diem in 1829, to £3¼ per cent. in 1844, to £3 per cent. in 1880, and to £2¾ per cent. in 1888, the rates to depositors being about 5s. per cent. less in each case, and now a mere pittance of £2½ per cent.

Exemption from Fiscal duties has always been granted, but there is some tendency of late to cut down this privilege, and small estates may be administered by the Banks, originally up to £20, raised to £50 in 1844, and to £100 since 1883, but the raising of this limit has been accompanied by the imposition of certain formalities in the interests of the public revenue, which makes this privilege much less appreciated than the old power to pay up to £20 on simple proof of death of the depositor.

Lastly, a cheap and rapid method is provided for settling disputes between the Banks and their depositors, which are taken out of the ordinary jurisdiction of the Courts, and are required to be submitted *ex parte* to the Registrar of Friendly Societies for his award.

Much of this paternal legislation was essential to foster and encourage the Banks, but complex regulations, antiquated methods, and circumlocution have been productive of many worries and some friction.

It is hardly possible for suitable rules and regulations

to be made by officials in London unaided, and the attempt to supervise the work of the Banks from a distance is apt to harass efficient actuaries, and let indifferent ones alone.

The Government has captured the surplus funds of economically managed Banks since 1829, penalising them for their careful and conscientious administration of funds by depriving them of interest upon all sums transferred to a Separate Surplus Fund between 1829 and 1880, yet those Banks which frustrated the Government's action in this connection, by spending their revenues up to the hilt, were allowed to do so without let or hindrance, and a premium was thus placed upon waste and extravagance.

There appear to be far too many persons concerned in the administration of the Acts—Commissioners, Boards of Management, Officers of the Banks, and, since 1891, an Inspection Committee. Anything should be welcome which would bring the officers of the Banks into direct communication with some central authority.

And while any further statutory enactment would, perhaps, perturb the minds of many of the best friends of Savings Banks, some simplification of the law seems highly desirable. A clue to its labyrinthine mazes has been provided by Mr. Watt of the National Debt Office, whose scholarly and admirably designed book is the standard work on Savings Bank Law; but one's sense of proportion is apt to be shocked by the discovery of the fact that the same law and the same high standard of exactitude in complying with rules and regulations, which are often merely formal, is applied, and expected to be observed, whether the Bank be one whose deposits do not exceed four figures, or one whose deposits are enumerated in millions.

By further assimilating the law of Trustee Savings Banks to that of Post Office Savings Banks, and *vice versa*, and by codifying and amending that law, or, better still, by passing

a short enabling Act, with power to make regulations under the expert advice of the officers who deal at first hand with the stress and strain of the work done at the Banks' counters, officialism and the deadening effect of 'red tape' might be removed, thus encouraging the Banks, and leaving them free to devote the whole of their energies to the furtherance and perfection of the work which lies at hand, and who knows but that some worthy successor to the good and gifted man, whose memory and pious works have been celebrated this week, is already in your midst, who will inaugurate a new era of prosperity and success for a class of institution, whose benevolent and beneficent work has formed one of the most striking features of the past century.

The CHAIRMAN conveyed the thanks of the meeting to Mr. Cameron for his most able and instructive paper ; as a member of the Senate of the University of London, he felt proud of such a discourse by one of its distinguished graduates, for whose work, based on a scientific and economic treatment of the subject, he was sure there was the highest appreciation in such an Academic city as Edinburgh. (*Applause.*)

THE SAVINGS BANKS IN AMERICA

In introducing Mr. C. Stuart Patterson, President of the Western Savings Fund Society of Philadelphia, Sir Albert Rollit said that Mr. Patterson, Mr. Mitchell of Sydney, Mr. Phillipps of Adelaide, and other Colonial representatives, and also Messrs Baird and Tiebout, Vice-Presidents, Herbert F. Gunnison, Trustee, and William F. Burns, Cashier of the Williamsburgh Savings Bank of Brooklyn, New York, U.S.A., were all especially welcome guests, as coming from kindred and English-speaking countries. He also referred to his own experiences and impressions of Mutual and Stock Savings Banks in America, founded on personal observation of their

working in Canada and in the Eastern and Middle States of America, from New York to Florida in the South. He hoped these and other representatives of the Empire and the States would take back with them the most cordial greetings from this Conference to their great and progressive peoples. (*Applause.*)

Mr. C. STUART PATTERSON, President, Western Savings Fund Society, Philadelphia, read a paper on the above subject. He said:

I bring to you from across the seas a greeting from the citizens of that Republic of the West, which owes its free institutions to its inheritance of the traditions of British liberty, and, in large measure, its material growth and progress to the sturdy character, the industry, and the intelligence of those of its first settlers, and those of its subsequent immigrants, who came from England, Scotland, and Ireland.

'Fast bind, fast find,'—

a proverb never stale in thrifty minds.

In the United States, as elsewhere, that thrift, which strives to fast bind the ears of its gleaning from the harvest field of toil that it may fast find them in its day of need, takes different forms. At the one extreme are those, whose only idea of saving is that of the squirrel, and who hide their substance in places of concealment of their own contriving that they may thence receive it back unchanged. It is too often their fate that thieves break in and steal. At the other extreme are those who undertake to make investments for themselves. If they have not that certainty of knowledge, which only experience can give, they are tempted by the promised yield. For them the wily promoter lies in wait, and too often they are his easy prey. I need say nothing more as to either of those classes.

CHRISTOPHER STUART PATTERSON, Esq.
President, The Western Savings Bank
Philadelphia

(*Photo by Gutekunst, Philadelphia, U.S.A.*)

GEORGE C. PURVES, Esq.
President, Philadelphia Savings Bank, U.S.A.

(*Photo by Evans, Philadelphia, U.S.A.*)

There are in the United States, according to the last available and reliable statistics, 18,245 banks, including national banks of deposit and issue, State banks, trust companies, State Savings Banks, owned by shareholders, and managed in their interests, and Mutual Savings Banks, all of whose assets belong to the depositors, and are held in trust for the payment of the deposits.

The Banks of all those classes hold savings deposits amounting in the aggregate to £1,135,747,076, and payable upon agreed terms of notice and interest to 14,894,696 depositors.

Thrift has varying forms. There are also 827 life assurance companies, having in force 33,186,420 policies assuring £4,599,793,976, and with assets amounting to £631,916,225.

There are also 5459 building and loan associations with 1,876,967 members, and with accumulations of £149,198,679.

Bringing these figures together and taking the population of the United States at eighty millions of people, the accumulated savings aggregate £1,893,282,297, or an average of nearly £25 for every man, woman, and child in the country. In view of these figures one may well say—

'What piles of wealth have they accumulated; how in the name of thrift did they rake this together?'

The answer to the question is that during the greater part of the last half century, the United States have been materially prosperous to an extent far exceeding the most hopeful anticipations. Several causes have been contributing factors to that prosperity. The wide expanse of fertile land; the isolation from the European struggle for the balance of power; the consequent exemption from the necessity of maintaining standing armies and constructing great navies; peaceful relations with foreign powers;

domestic tranquillity; the full opportunity afforded for the development of individuality; the comparatively light burden of taxation; the demand for labour in excess of its supply, securing higher wages for working men than labourers in similar industries receive in other countries, and the resultant ability of the working man to live more comfortably; and last, but not least, the establishment of the gold standard, giving assurance to the world that capital can be invested in our public and corporate undertakings in confidence of a return in money of full purchasing power—have all combined to increase the possibilities of individual savings.

It must be admitted that these conditions are changing. The area of unappropriated land is rapidly diminishing. The demands of home consumption will before many years, if farming be not more intelligently conducted, absorb the products of agriculture, and leave nothing for exportation. The modern interpretation of the Monroe doctrine has imposed upon the United States grave responsibilities for South American countries. The United States have acquired colonies, and undertaken the construction of the Panama Canal. The necessity of preparedness for possible war, and the growing extravagance of governmental administration, have increased, and will further increase, the burdens of taxation. The protective tariff has in practice been carried far beyond the theory of equalisation of the conditions of competition. The cost of living has so increased, that, for the wage earners, the available surplus of income over out-go diminishes year by year. The trade of the country is threatened with unnecessary administrative restraints, 'which seriously diminish profits, increase risks, and multiply humiliating restrictions,' and, as Mr. Lecky pointed out, the necessary effect of such legislation is 'to drive capital away and ultimately contract the field of employment.'

He is therefore a sanguine man who expects that, in the United States, the next half century will be as prosperous as the last half century has been.

The savings, as to which I am chiefly concerned, are those which are deposited with the Mutual Savings Banks, for those Banks are organised in the sacred cause of charity, and for the protection of those least able to protect themselves, and in them there is no proprietary right, other than, or distinguished from, that of the depositors.

In the United States, Philadelphia led the way in the good work of establishing the Mutual Savings Bank. The Philadelphia Savings Fund, of which my friend Mr. Purves has been for many years, and is now, the honoured President, was organised on 2nd December 1816, as a voluntary association, though it was not chartered by the State until 13th December 1819. In Boston, the Provident Institution for Saving was chartered on 13th December 1816. In New York the Bank for Saving was chartered on 26th March 1819.

The seed planted in Edinburgh in 1810, and carried in 1816 across the seas, has so grown and flourished, in the United States, that there are now 642 Mutual Savings Banks, most of which are in the Eastern and Middle States, and each of which is organised as a corporation under the law of the State chartering it.

Their assets are in the aggregate about £680,000,000, of which there are invested in mortgages, being first liens mostly upon improved real property, 31·29 per cent.; in bonds of railways, mostly first liens upon the undertakings, 21·90 per cent.; in State and municipal bonds, 20·18 per cent.; in individual loans, payable on short time, or on demand, and secured by the marketable collateral of corporate bonds or shares, 13·76 per cent.; in sundry assets not classified, 7·16 per cent.; in cash in their vaults, or on deposit with commercial Banks, 4·33 per cent.; in the

loans of the Government of the United States, 0·99 per cent. ; and in their office buildings and in real property bought in under foreclosure of mortgages, 0·39 per cent. Of course these percentages vary in different Savings Banks. The stronger, and I venture to say, the better managed Banks carry a larger percentage of cash. The explanation of the insignificant percentage invested in the loans of the Government of the United States results from the fact that the unintelligent currency system of the United States bases the note issues of the national Banks solely upon Government Loans bought by those Banks, and deposited with the Treasury, and therefore creates an artificial market for those loans at prices which put them out of the reach of any investors other than the national Banks.

Turning now to the debit side of the balance sheet, the Mutual Savings Banks have deposits entrusted to them amounting to £629,290,782. They have a surplus of £49,649,419, which is 7·32 per cent. of the total liabilities. Here again it must be said that the stronger of the banks have a much larger percentage of surplus.

The problems which confront those who are charged with the responsibility of the administration of a Savings Bank are much the same the world over. The depositor's chief concern is for the repayment of his principal in accordance with the terms of deposit. He cares comparatively little for the interest upon the deposit, whether that interest be regarded either as income, or as increase of the capital. The exigencies of competition with other Banks, therefore, should not lead to the offer of more than a very moderate rate of interest, and in no case to the payment of a rate so high as to imperil the maintenance of an adequate surplus. It may be questionable whether or not the average rate of interest now paid, which is about 3·22 per cent., is not too high, save for the oldest and the strongest Banks, when the

possible yield of the safest class of securities is taken into account.

As all that the depositor may reasonably require is the repayment of his deposit upon the agreed terms, and as a Savings Bank has no shareholders expecting dividends, and clamouring for increases in the rate of dividend, there is no possibility of excuse for the manager who invests the funds in other than the safest of safe investments.

It is not possible to lay down a hard and fast rule which will determine with accuracy that which is the surplus necessary for a Bank whose deposits are demandable upon fixed terms of notice. In the United States the defective currency system exposes the country to recurring financial panics, when depositors in all Banks become alarmed, and demand in abnormal numbers the return of their deposits, and when the market for securities becomes so depressed that securities, if they must be converted into cash, can, if saleable at all, be sold only at a sacrifice. To meet such possible occurrences, every Savings Bank must have as a minimum a surplus sufficiently large to more than cover the losses resulting from the possible sales of securities at depreciated values.

The corporate securities, mainly municipal bonds and bonds of railways, bought by the Savings Banks, are in general bought at a premium in excess of their par. In some of the States, as in New York, the present value of those bonds is determined by a process of amortization. In other States, as in Pennsylvania, it is the practice of conservatively managed Banks, to at once charge off the premium, and to carry such bonds only at par. Of course a security bought for less than par is carried only at its actual cost.

An interesting experiment is now under way in Massachusetts. A recent statute of that State authorises its

Savings Banks to engage in the business of life assurance, by issuing policies to limited amounts upon a premium scale, which is moderate, because no agents' commissions are paid. No liability for losses is imposed upon the assets of the Bank, but such losses are met by a guarantee fund contributed by individuals, which is to be maintained intact, until the accumulated premium fund is sufficiently large to justify the return of the guarantee fund with interest thereon. The experiment has not yet been in operation for a sufficient time to justify the expression of a positive opinion as to its effects.

Another question which faces Savings Bank managers in the United States is, whether it is wiser in time of panic to take advantage of that statutory authority which is given in some of the States for an enlargement of the length of notice for the repayment of deposits, or, on the other hand, to express confidence in the strength of the Bank's resources, and to allay the fears of the panic-stricken depositors, by throwing down every bar, and making payment on demand, and without notice, to every depositor who asks for payment. Personally I believe in the wisdom of the latter plan, for, in the case of the Bank for whose administration I am responsible, I have had experience of the efficacy of that plan in the severe panics of 1893 and 1907.

In the United States, Savings Banks have participated in collecting the separate rivulets of individual savings into great reservoirs of loanable funds for the development of the country. For the excavation of its mines, for the building of its factories, for the cultivation of its farms, for the improvements of its cities and towns, and for the construction of the highways of commerce, more capital was needed than ever could have been contributed by unorganised individuals. That capital has been provided by the reserves of the life assurance societies, and by the utilisation of the

deposits in commercial banks, trust companies, and Savings Banks. Therefore, to-day, in the United States, the railways, the mines, the mills, and the farms are all worked by the accumulation of the savings of labour.

In the United States, as in other countries which have followed Scotland in the establishment of Savings Banks, those Banks have rendered a public service, whose value it is not easy to exaggerate. They have encouraged in the individual depositor thrift. They have aided him in the formation of habits of self-denial. They have developed character. They have given to him a personal interest in the maintenance of order. They have thereby made him a better citizen.

In 1896 the citizens of the United States were brought face to face with a threatened degradation of the standard of value, which would unavoidably have been followed by individual bankruptcies, and by national dishonour. That that calamity was averted was due solely to the fact that the voters of the country were made to see that those whose interests would first be destroyed were the depositors in Savings Banks, the shareholders in building and loan associations, and the beneficiaries under policies of life assurance.

As it was in that year, so it will be in the years to come, for you, and for us. The democracy of Great Britain, and the democracy of the United States, must alike look for the continuance of their free institutions, for the equal enforcement of the laws, for the maintenance of order, for the preservation of the public faith, and for a lasting civilisation to those of the dwellers in their lands, whose industry, whose prudence, whose self-denial, and whose thrift, shall have developed in them the essential characteristics of citizens of a free State. (*Loud applause.*)

An AMERICAN delegate.—There is little that the delegates from America can add to what has been said. The

American Congress is passing a Bill as to the Postal Savings Bank and, if it is signed by the President of the United States, it will add fifty thousand depositors to those there are already. (*Applause.*)

The CHAIRMAN conveyed the thanks of the Congress to Mr. Patterson for his eloquent paper. He said they welcomed so large a deputation from their cousins beyond the seas. The delegates from America had made a very material contribution to the common feeling and to the common knowledge of the world. (*Applause.*)

FRENCH SAVINGS BANKS

Sir Albert Rollit next called upon Monsieur le Comte de la Panouse, Président du Conseil des Directeurs de la Caisse d'Epargne et de Prévoyance de Paris—of whom he was a confrère in the Legion of Honour of France—and who was accompanied by M. Georges Thillaye, Agent Général de la Caisse d'Epargne de Paris, to address the Conference on an 'Historical Résumé of the Legislation affecting French Savings Banks.'

Résumé historique de la Législation des Caisses d'Epargne Françaises présenté par M. LE COMTE DE LA PANOUSE :—

'L'origine des Caisses d'épargne françaises remonte à 1818, année au cours de laquelle fut fondée la Caisse d'Epargne et de Prévoyance de Paris.

'Cette création est due à l'initiative de deux hommes généreux, Benjamin Delessert,—dont le nom restera perpétuellement attaché à celui de l'Institution des Caisses d'épargne,—et le duc de La Rochefoucauld-Liancourt, Pair de France. Autour de ces novateurs éminents, vinrent se grouper des personnes bienfaisantes appartenant à la haute banque parisienne, faisant partie, pour la plupart, de la Compagnie Royale d'Assurances maritimes et dont quelques-unes étaient mêlées aux grandes affaires du pays.

M. GEORGES THILLAYE
AGENT-GÉNÉRAL
DE LA CAISSE D'EPARGNE DE PARIS

M. SAMUEL DE PERREGAUX
(LT.-COLONEL D'INFANTERIE)
OF NEUCHATEL, SWITZERLAND
DIRECTEUR DE LA CAISSE D'EPARGNE
DE NEUCHATEL

(*Photo by Monbaron, Neuchatel*)

M. CAMILLE CAPEYRON
AGENT-GÉNÉRAL DE LA CAISSE D'EPARGNE
BORDEAUX

(*Photo by Pabau, Nantes*)

M. MAURICE BELLEMAIN
INSPECTEUR
DE LA CAISSE D'EPARGNE ET DE PRÉVOYANCE
DU RHÔNE
LYONS

' Une Société se constitua, sous la forme anonyme, par acte du 22 mai 1818. Elle fut autorisée pour une durée de trente ans et ses statuts furent approuvés par une ordonnance royale en date, au château de Saint-Cloud, du 29 juillet suivant.

' Ce n'est donc pas le législateur, mais l'initiative privée qui a établi les Caisses d'épargne en France. La loi ne devait venir sanctionner que dix-sept ans après sa fondation une Institution dont l'utilité et les services étaient déjà universellement reconnus.

' L'idée qui amena cette création naquit en présence de la difficulté qu'éprouvaient, au début du dix-neuvième siècle, les classes laborieuses et prévoyantes pour conserver et faire fructifier leurs modestes économies. Aucun établissement ne répondait alors à cette fin. Et l'on peut dire que, comme dans l'ordre naturel, c'est encore le besoin qui, dans l'ordre social, a créé l'organe.

' C'est ainsi que prit naissance la Caisse d'Epargne et de Prévoyance de Paris, qui fut ouverte au public le dimanche 15 novembre 1818.

DIVISION

' Pour plus de clarté dans l'exposé rapide qui va suivre, nous diviserons le résumé de la législation des Caisses d'épargne en quatre périodes.

La première commence le jour où se tint, à la Caisse d'Épargne et de Prévoyance de Paris, la première séance, le dimanche 15 novembre 1818. Elle se termine le 31 décembre 1829.

La seconde s'ouvre le 1er janvier 1830 et s'arrête au 9 avril 1881.

La troisième période va du 9 avril 1881 au 20 juillet 1895.

La quatrième part de juillet 1895 et se poursuit jusqu'à nos jours.

Pendant la première période, les dépôts confiés à la Caisse d'Épargne sont employés en rente. Les déposants deviennent propriétaires d'une inscription de rente dès que leur compte présente une somme suffisante pour l'achat de la plus petite coupure que la loi permette d'établir. Le capital insuffisant pour être employé en rente est seul remboursé en

espèces, et, pour satisfaire aux demandes de retraits qui lui sont adressées, la Caisse doit négocier les rentes immatriculées à son nom.

Pendant la seconde période, les fonds que reçoit la Caisse d'Épargne sont, dans les premiers temps, versés en compte courant au Trésor Public et ensuite à la Caisse des Dépôts et Consignations qui doivent, l'un comme l'autre, les tenir à sa disposition dans les délais prescrits par les lois et ordonnances constitutives du fonds spécial.

La troisième période est marquée par une ère de prospérité, conséquence de la refonte de la législation et de l'organisation de la Caisse d'épargne postale. La loi du 9 avril 1881, en créant cette Caisse et en portant le maximum des dépôts de 1000 à 2000 francs, favorise le développement de l'Épargne.

L'Institution prend bientôt un essor tel, que l'on croit nécessaire d'en enrayer les progrès par la réduction à 1500 francs du maximum légal et par la limitation annuelle des versements. C'est ce qui constitue la quatrième période. Cette réforme, objet de la loi du 20 juillet 1895, produit de fâcheux effets et soulève les protestations des Caisses d'épargne privées et de leurs déposants.

PREMIÈRE PÉRIODE

1818-1829

'Le but que se proposaient les fondateurs de la Caisse d'Epargne était, à l'origine, de faciliter uniquement aux déposants l'acquisition de titres de rente sur l'Etat.

'Aussi, tous les dépôts qu'elle recevait, la Caisse d'Epargne les employait immédiatement en rentes qui étaient transférées à son nom.

'Dès que le compte d'un déposant s'élevait à une somme suffisante pour acheter, au cours moyen du jour, cinquante francs de rente, la Caisse d'Epargne transférait une inscription de pareille somme au nom de ce déposant qui en devenait propriétaire, et la valeur en était déduite du montant de son avoir. (Ordonnance du 29 juillet 1818.)

'Une ordonnance royale du 30 octobre 1822 autorisa les transferts dès que le compte présentait, au cours moyen du jour, la valeur de dix francs de rente.

' Les inscriptions étaient toujours tenues à la disposition des déposants.

' Tant que ceux-ci n'en réclamaient pas la remise, la Caisse d'Epargne en restait dépositaire pour en percevoir les arrérages qu'elle portait au crédit de chaque compte individuel.

' Pendant cette première période, nul ne peut verser plus de 600 francs par semaine.

' En 1822, ce maximum est abaissé à 100 francs. Il devait être encore diminué, en 1823, pour rester fixé à 50 francs.

L'intérêt est alloué sur chaque somme ronde de 12 francs. Aucun intérêt n'est bonifié sur les sommes au-dessous de 12 francs, ni sur les portions de dépôt excédant les multiples de 12 francs. (Statuts art. 10.)

L'intérêt est dû à compter du premier jour du mois qui suit l'époque à laquelle a été versée ou complétée chaque somme de 12 francs. (Ibid. art 11.)

L'intérêt est réglé à la fin de chaque mois, il est capitalisé et peut produire des intérêts dès le mois suivant. (Ibid. art. 12.)

En 1823, l'intérêt est alloué sur toute somme d'un franc et au-dessus. Les fractions de franc ne produisent pas d'intérêt.

' L'intérêt est dû à partir du jour de chaque versement.

Les intérêts des comptes de tous les déposants sont réglés et capitalisés tous les six mois.

' Dans le cas de remboursement d'un dépôt en partie ou en totalité, les intérêts sont réglés jusqu'au jour de la demande en remboursement.

' Au mois de décembre de chaque année, le Conseil des Directeurs fixe le taux de l'intérêt qui sera alloué aux déposants pendant le cours de l'année suivante.

' Du 15 novembre 1818 au 31 décembre 1828, le taux de l'intérêt bonifié aux déposants est maintenu a 5 %.

' Le 1er janvier 1829, il est abaissé à 4 %.

' Pendant toute cette période, les Caisses d'épargne étaient livrées à elles-mêmes, quant au placement des fonds déposés.

' La garantie des dépôts résidait tout entière dans l'emploi des fonds en rentes sur l'Etat.

' Mais ce système n'était pas sans inconvénient : les déposants, pour les inscriptions qui leur appartenaient, la Caisse, pour effectuer les remboursements en espèces qui lui étaient demandés, étaient exposés à subir toutes les variations des cours des effets publics.

' Avantageuse en cas de hausse des fonds publics, la situation pouvait en cas de baisse être gravement compromise.

' Le Conseil des Directeurs de la Caisse d'Epargne de Paris n'avait pas tardé à s'apercevoir de ce danger. Comprenant que la garantie des dépôts était la base même de l'Institution, il se préoccupa de cette question.

' A la suite du rejet d'une proposition de loi en 1825 et de l'échec d'une nouvelle tentative en 1826, le Conseil prit, en 1829, l'initiative de soumettre au Ministre des Finances un projet qui, par analogie avec ce qui se faisait en Angleterre, devait permettre aux Caisses d'épargne d'avoir plus de stabilité. Sur un rapport favorable du Ministre, une ordonnance royale fut rendue le 3 juin 1829, laquelle autorisa les Caisses d'épargne à verser en compte courant au Trésor royal les fonds qui leur seraient déposés. Ce principe fut consacré par l'article 17 de la loi de finances du 2 août 1829.

Ceci nous amène à la deuxième période.

DEUXIÈME PÉRIODE

1830-1881

' Pendant cette seconde période, les fonds que reçoivent les Caisses d'épargne sont, comme nous l'avons dit, versés d'abord en compte courant au Trésor Public et, ensuite, à la Caisse des Dépôts et Consignations.

' Les Caisses d'épargne entraient ainsi dans une phase

nouvelle ; le régime ancien n'offrait aux déposants que la garantie d'un fonds variable ; le nouveau mettait les dépôts des titulaires de livrets sous la garantie du Trésor Public.

I

1830-1835

' Dès le 1er janvier 1830, les Caisses d'épargne, ayant modifié leurs statuts, furent admises à jouir du bénéfice de l'ordonnance du 3 juin 1829.

Aux termes de cette disposition, les Caisses d'épargne et de prévoyance, dont l'administration était gratuite, étaient autorisées à placer en compte courant au Trésor royal, les fonds qui leur étaient déposés.

' Chaque déposant devient propriétaire d'une somme équivalente au crédit de son compte courant à prendre sur le crédit de la Caisse d'Epargne au Trésor royal, par l'intermédiaire de la Caisse d'Epargne.

' Mais chaque déposant ne peut verser plus de cinquante francs par semaine, ni avoir à son crédit plus de deux mille francs en capital. (Ordonnance du 3 juin 1829, art. 6.)

' Le maximum du versement hebdomadaire est porté à 300 francs par ordonnance royale du 16 juillet 1833.

Les fonds déposés au Trésor par les Caisses d'épargne portent intérêt du dernier jour de la dizaine pendant laquelle les versements sont effectués jusqu'au jour du retrait ; mais les remboursements ne sont exigibles que dix jours après la demande adressée au Trésor. (Ord. du 3 juin 1829, art. 4.)

' L'intérêt bonifié par le Trésor est réglé, chaque année, par le Ministre des Finances, et la retenue que la Caisse d'Epargne est autorisée à faire, si elle le juge utile, pour payer ses frais de loyer et de bureau, ne peut excéder un demi pour cent. (Ibid. art. 1er.)

' Fixé a 4 % pour 1829 et 1830 par l'ordonnance du 3 juin 1829, l'intérêt a été maintenu au même taux de 4 % pendant les années suivantes.

L'intérêt servi par la Caisse d'Épargne à ses déposants est dû à partir d'une semaine après le jour de chaque versement, jusqu'au jour de la demande de remboursement. (Ordonnance du 30 décembre 1829.)

Les intérêts sont réglés et capitalisés tous les ans à la fin du mois de décembre. (Ibid.)

A compter du 1er mai 1835, l'intérêt est dû à partir du quinzième jour qui suit le versement et cesse le quinzième jour avant celui qui est désigné pour le remboursement. (Ordonnance royale du 17 mars 1835.)

II

Juin 1835-Juin 1851

' Cependant le Président de la Caisse d'Epargne de Paris, de plus en plus pénétré de l'idée que les Caisses d'épargne n'auraient jamais un avenir bien assuré tant qu'une loi ne viendrait pas consacrer leur existence et leur organisation, avait préparé un projet de loi qui fut présenté à la Chambre des Députés dans la séance du 13 décembre 1834, et qui, après modifications, fut voté le 5 juin 1835.

' C'est la prèmiere loi organique française sur les Caisses d'épargne. Elle confirma les principes généraux qui avaient jusqu'ici servi de base au fonctionnement des Caisses d'épargne. Elle leur imposait l'obligation d'être autorisées par ordonnance rendue dans la forme des règlements d'administration publique (Loi du 5 juin 1835, art. 1er), et les admettait à verser leurs fonds en compte courant au Trésor Public. (Ibid. art. 2.)

' Elle ne laisse plus au Ministre des Finances le soin de régler l'intérêt qui sera bonifié par le Trésor aux Caisses d'épargne. Elle fixe cet intérêt à 4 % et maintient la retenue facultative de 0·50 % pour le produit en être affecté aux frais de loyer et de bureau. (Ibid. art. 3.)

' Viennent ensuite deux dispositions restrictives : l'une interdit aux déposants de verser plus de 300 francs par semaine (Ibid. art. 4), l'autre limite à 3000 francs, le montant des sommes susceptibles de porter intérêt au profit d'un

même déposant. La sanction de cette disposition consistait, en cas de contravention, dans la suppression totale des intérêts. (Ibid. art. 5.)

Un maximum exceptionnel de 6000 francs est autorisé en faveur des Sociétés de Secours mutuels. (Ibid. art. 6.)

'Enfin, par une mesure d'un intérêt particulier, les déposants avaient la faculté de faire transférer leurs fonds d'une Caisse d'épargne sur une autre. (Ibid. art. 8.)

Pour faciliter l'action des Caisses d'épargne et engager les déposants à s'adresser à ces établissements, la loi les exempte des droits de timbre pour leurs registres et livrets. (Ibid. art. 9.)

Les Caisses d'épargne peuvent recevoir des dons et legs selon les règles prescrites pour les établissements reconnus d'utilité publique. (Ibid. art. 10.)

Les formalités édictées par les articles 561 et 569 du Code de procédure civile et par le décret impérial du 18 août 1807, relativement aux saisies arrêts, sont applicables aux fonds déposés dans les Caisses d'épargne. (Ibid. art. 11.)

'Le nouveau système des Caisses d'épargne donnait aux déposants toute garantie, quant à la sécurité de leurs dépôts, puisqu'il reposait sur la restitution intégrale, par le Trésor Public, du capital déposé par les Caisses d'épargne. Toutefois, aucun gage matériel ne soutenait les fonds des déposants. Le danger, qui pouvait exister pour la Caisse d'Epargne dans le premier système, retombait dans le second sur le Trésor. On s'en apercut ultérieurement quand on vit la dette flottante commencer à s'augmenter dans des proportions importantes.

'Aussi, en 1837, le Ministre des Finances, voyant l'accumulation des fonds des Caisses d'épargne amener au Trésor des sommes considérables, dont il devait payer la jouissance à un prix élevé sans en avoir constamment l'emploi, proposa de confier l'administration des fonds des Caisses d'épargne à la Caisse des Dépôts et Consignations qui les ferait valoir, reprenant ainsi une disposition qui avait été rejetée au moment du vote de la loi de 1835.

La Caisse des Dépôts et Consignations devait employer en rentes les fonds des Caisses d'épargne, en en conservant néanmoins une partie en compte courant au Trésor ou en bons royaux à échéance fixe, afin d'assurer le service des remboursements.

Mais elle ne pouvait acheter ou vendre des rentes sur l'État qu'avec l'autorisation préalable du Ministre des Finances, et les achats et les ventes ne pouvaient avoir lieu qu'avec concurrence et publicité.

'La Caisse des Dépôts devait trouver dans les arrérages des rentes l'équivalent de l'intérêt à servir aux Caisses d'épargne. Si jamais il résultait, soit du compte des capitaux, soit de celui des intérêts, une différence au détriment de la Caisse, le Trésor Public devait en répondre. Rien ne devait être changé sous ce rapport aux garanties données par la loi de 1835.

Les Caisses d'épargne, en somme, devaient trouver plus de sécurité dans ce changement: le nouveau projet leur donnait un gage matériel en rentes, gage qui n'existait pas alors et elles conservaient, néanmoins, la garantie du Gouvernement.

Tel était le projet, telle fut l'économie de la loi du 31 mars 1837 qui substitua la Caisse des Dépôts et Consignations au Trésor pour recevoir et administrer les fonds des Caisses d'épargne.

'Il est intéressant de signaler ici que beaucoup de ceux qui donnèrent leur approbation à la loi nouvelle considéraient, comme provisoire, la situation qu'elle créait.

'Et cependant, c'est encore aujourd'hui sur les principes fondamentaux posés par cette loi que demeurent établis les rapports entre les Caisses d'épargne et la Caisse des Dépôts. La loi de 1837 a tenu, il est vrai, toutes ses promesses. Jamais à aucune époque la Caisse des Dépôts n'a manqué à ses obligations : elle a eu à les remplir dans des conditions souvent bien critiques, et l'on peut dire d'elle et des Caisses d'épargne qu'il semble qu'elles aient puisé une force nouvelle dans les crises qu'elles ont eu à traverser en se prêtant un mutuel appui.

'Aussi, sous l'empire de cette loi, l'Institution progressa

et se développa rapidement à Paris et dans les départements. Le solde dû aux déposants augmentait d'une manière très rapide, passant de 171 millions en 1839 à 302 millions en 1842 et à 392,552,466 francs en 1844. Cet accroissement de dépôts finit par causer une certaine inquiétude au Gouvernement, le moindre incident pouvant, à l'improviste, faire affluer les demandes de remboursement, alors qu'aucune mesure de sauvegarde n'avait été prise. Le Ministre des Finances déposa donc un projet qui fut adopté avec quelques modifications et qui devint la loi du 22 juin 1845.

'Dès lors, le compte d'un déposant ne peut dépasser 1500 fr. en capital. Il peut s'élever à 2000 francs par la capitalisation des intérêts (Loi du 22 juin 1845, art. 1er), mais, au delà de cette somme, il ne produit plus d'intérêt. (Ibid. art. 3.)

Une exception est faite en faveur des remplaçants dans les armées de terre et de mer, qui sont admis à déposer, en un seul versement, le prix stipulé dans l'acte de remplacement, à quelque somme qu'il s'élève.

Les marins portés sur les contrôles de l'inscription maritime sont pareillement admis à déposer, en un seul versement, le montant de leur solde, de leurs décomptes et salaires au moment de leur embarquement ou de leur débarquement, mais ce versement ne peut être supérieur à 1500 francs. (Ibid. art. 2.)

Le crédit des Sociétés de Secours mutuels, fixé, par la loi du 5 juin 1835, à 6000 francs, peut s'élever à 8000 francs par l'accumulation des intérêts; mais au delà le dépôt reste improductif. (Ibid. art. 4.)

La loi nouvelle rappelle l'interdiction d'avoir plusieurs livrets sous peine, pour le contrevenant, de perdre l'intérêt de la totalité des sommes déposées. (Ibid. art. 5.)

Enfin, elle donne, à tout déposant dont le crédit est de somme suffisante pour acheter une rente de 10 francs au moins, la faculté de demander, par l'intermédiaire de la Caisse d'épargne, et sans frais, la conversion de tout ou partie de sa créance en une inscription au Grand Livre de la Dette publique. (Loi du 22 juin 1845, art. 6.)

'Les mesures prises en vue d'arrêter l'accumulation,

dans les Caisses de l'Etat, des capitaux toujours exigibles furent nuisibles au développement de l'Epargne populaire.

' Cette loi, qui réduisait le maximum des livrets et qui obligeait tous les déposants à retirer, dans un délai de dix-huit mois, l'excédent de leur compte sous peine de perdre l'intérêt de toutes les sommes dépassant 2000 francs, amena un ralentissement dans les versements, une augmentation des remboursements et, par suite, une diminution du solde.

' Ce furent là des conséquences fâcheuses pour la prospérité de l'Institution, dont la marche normale fut troublée.

' D'ailleurs, cette loi était incomplète et l'on ne tarda pas à s'en apercevoir. Le Gouvernement lui-même ne méconnaissait pas qu'elle dût être améliorée. Mais la Révolution de 1848 amena la chute du Gouvernement avant que ses nouveaux projets concernant les Caisses d'épargne aient pu être étudiés.

' Cette Révolution eut une profonde répercussion sur la situation et le régime des Caisses d'épargne.

Le Gouvernement provisoire, dans la situation difficile où il se trouvait, prit successivement des mesures aussi exceptionnelles que contradictoires.

Après avoir, par un décret du 7 mars 1848, porté à 5 % l'intérêt des fonds versés aux Caisses d'épargne, il rend deux jours après un second décret par lequel, dans le but d'alléger les charges du Trésor, il décide que les livrets, dont le solde ne dépassera pas cent francs, peuvent seuls être remboursés intégralement en espèces. (Déc. du 9 mars 1848, art. 1er.)

Les dépôts de sommes plus élevées sont remboursés en espèces jusqu'à concurrence de 100 francs, et, pour le surplus, moitié en bons du Trésor à quatre mois ou à six mois d'échéance portant intérêts à 5 %, moitié en coupons de rente 5 % au pair. (Ibid. art. 2 et 3.)

Ce mode de liquidation ne frappe que les livrets individuels ouverts avant le 24 février 1848. (Décret du 9 mars 1848, art. 4.)

Les livrets inscrits au nom de Sociétés de Secours mutuels, à quelque époque que ce fût, n'étaient pas assujettis à ces dispositions ; ils pouvaient être remboursés intégralement en espèces comme tous les livrets individuels ouverts depuis le 24 février. (Ibid. art. 4.)

Enfin, les transferts de fonds d'une Caisse d'épargne à une autre étaient suspendus. (Ibid. art. 5.)

A la suite de ces mesures, les versements, bien que bénéficiant d'un

intérêt de 5 %, restèrent très peu importants, tandis que de nombreuses demandes de remboursement furent la conséquence de ce décret, aussi bien que de l'état de trouble dans lequel se trouvait alors le Pays.

La situation précaire du Trésor continuant à être l'objet des préoccupations de ceux qui se succédaient au pouvoir, le Ministre des Finances estimait que, pour retrouver sa solidité financière, l'Etat devait être dégagé de toutes les charges du passé. Il eut recours à une opération qui pouvait être grosse de conséquences, consistant dans le remboursement de tous les livrets de Caisse d'épargne.

Par un décret du 7 juillet 1848, l'Assemblée nationale, en vue d'arriver à une liquidation plus rapide des livrets des Caisses d'épargne, et pour donner un certain dédommagement aux déposants qui avaient été remboursés en rente 5 % au pair, abroge le décret du Gouvernement provisoire du 9 mars et ordonne que les livrets ouverts antérieurement au 24 février seront, ou remboursés en numéraire, si le solde est inférieur à 80 francs (art. 1^er^), ou consolidés en rente au cours de 80 francs, si le solde est supérieur, les appoints devant seulement être payés en numéraire. (Art. 3.)

Quant aux titulaires de livrets qui, en exécution du décret du 9 mars, auraient été remboursés en rente 5 % au pair, ils recevraient un coupon de rente 5 %, représentant la différence entre le cours de 80 francs et le pair de 100 francs sur le montant du capital remboursé ; ils avaient un délai de trois mois pour se présenter devant les Caisses d'épargne et faire valoir leurs droits à cette compensation. (Ibid. art. 4.)

Or, la rente baissait toujours et celle délivrée en paiement était loin de représenter la valeur que le décret lui avait attribuée.

Les déposants ayant subi une perte considérable en raison de la différence qui existait entre le cours de 80 francs et le cours réel de la rente, l'Assemblée nationale adopta, le 21 novembre 1848, une loi qui prescrivait de les créditer de la différence entre le taux de frs. 71 60 c., valeur de la rente au moment de la promulgation du décret du 7 juillet, et le taux de 80 francs, prix d'émission de la rente qui leur avait été attribuée.

Cette différence de frs. 8.40 c. remise ainsi à titre de compensation était productive d'intérêts depuis le 7 juillet précédent et devait être inscrite au compte de chaque déposant sur un livret spécial. (Art. 1^er^.)

Enfin, la loi du 21 novembre 1848 déclarait qu'il serait tenu compte aux Caisses d'épargne de l'excédent des frais d'administration en 1848 et en 1849. (Art. 3.)

Toutefois, un délai était accordé au Gouvernement pour le remboursement des livrets de compensation, afin de ne pas augmenter les embarras financiers. La loi du 29 avril 1850 rendit le montant de ces livrets disponible à partir du 1^er^ juin suivant.

III

1851-1881

' Les épreuves que venait de traverser l'Institution devaient amener nécessairement les pouvoirs publics à envisager la nécessité de reviser une législation à laquelle plus d'une atteinte avait été portée depuis le 24 février 1848. On rechercha encore l'atténuation de ces difficultés dans la limitation du montant des dépôts et la diminution du maximum, au lieu d'envisager une extension dans l'emploi des fonds, problème difficile à résoudre d'ailleurs à cette époque. A l'occasion du dépôt de la loi du 29 avril 1850, diverses propositions avaient été faites, puis finalement écartées. Ce n'était qu'un ajournement. L'étude des différentes questions qui avaient été disjointes de ce projet fut bientôt reprise.

Elle aboutit à la promulgation de la loi du 30 juin 1851 qui apporta de nouvelles modifications au régime des Caisses d'épargne et restreignit leur action.

' Voici les principales dispositions de cette loi :

' Elle réduit le maximum du dépôt à 1000 francs en capital et intérêts. (Art. 1er.)

Elle prescrit d'acheter, d'office et sans frais, 10 francs de rente au moins sur chaque compte qui, dépassant 1000 francs par suite du règlement annuel des intérêts, n'a pas été ramené par le déposant lui-même au-dessous de ce maximum avant le 1er avril. (Art. 2.)

Elle élève à 8000 francs le maximum de dépôt sur les livrets ouverts aux Sociétés de Secours mutuels. (Art. 4.)

Elle autorise tout déposant, dont le crédit est de somme suffisante pour acheter 10 francs de rente au moins, à faire opérer cet achat, sans frais, par les soins de la Caisse d'épargne. (Loi du 30 juin 1851, art. 5.)

Elle constitue la Caisse d'épargne dépositaire des inscriptions ainsi achetées et la charge d'en recevoir les arrérages au crédit des titulaires jusqu'au jour où lesdites inscriptions sont retirées par les déposants. (Ibid. art. 6.)

' Elle fixe l'intérêt bonifié par la Caisse des Dépôts et

Consignations aux Caisses d'épargne a 4½ % à compter du 1er janvier 1852. (Ibid. art. 7.)

Enfin, la retenue à faire sur cet intérêt par les Caisses d'épargne pour leurs frais de loyer et d'administration est obligatoire pour ¼ % et facultative pour un autre ¼ %. En aucun cas, cette retenue ne doit s'élever au-dessus de ½ %. Mais la loi fait une exception pour la Caisse d'Epargne et de Prévoyance de Paris, en faveur de laquelle la retenue facultative est portée à ¾ %, sans que jamais la retenue totale puisse excéder 1 %. (Ibid. art. 7.)

Un décret en date du 26 mars 1852, relatif à l'organisation des Sociétés de Secours mutuels, reproduit les termes de l'art. 6 de la loi du 15 juillet 1850 qui autorise les Sociétés de Secours mutuels approuvées, à faire, aux Caisses d'épargne, des dépôts de fonds égaux à la totalité de ceux qui seraient permis au profit de chaque sociétaire individuellement.

Un autre décret du Président de la République, du 15 avril 1852, rendu en conformité de la loi du 30 juin 1851, détermine le mode de surveillance de la gestion et de la comptabilité des Caisses d'épargne.

Après avoir fixé, d'après les statuts et les règlements de la Caisse d'Epargne et de Prévoyance de Paris, les conditions qui doivent présider à l'organisation intérieure des Caisses d'épargne, les règles à observer pour la suite des opérations et la tenue des écritures, le décret place les Caisses d'épargne des départements sous la surveillance des Receveurs des Finances, qui peuvent vérifier, par eux-mêmes ou par leurs fondés de pouvoirs, les écritures et la situation des Caisses aussi souvent qu'il leur convient, mais au moins une fois par trimestre. (Déc. 15 avril 1852. art. 18.)

Quant à la Caisse d'Epargne et de Prévoyance de Paris, elle est placée sous la surveillance directe du Ministre des Finances qui en fait vérifier, quand il le juge convenable, la situation et les écritures. (Ibid. art. 18).

Enfin, toutes les Caisses d'épargne indistinctement sont soumises aux vérifications des Inspecteurs des Finances qui peuvent porter leur examen et leurs investigations sur toute la gestion des établissements et doivent vérifier la régularité des écritures et l'exactitude de la caisse et du portefeuille. (Ibid. art. 21.)

'Les Caisses d'épargne, après être sorties victorieuses des épreuves terribles qu'elles venaient de traverser, reprenaient peu à peu une certaine prospérité, malgré les conditions peu favorables à leur développement que leur avait imposées la loi de 1851.

'La reprise d'une certaine activité trouve, d'ailleurs,

une explication dans l'amélioration qui commençait à se manifester dans tout le pays au point de vue économique et financier. On pressentait, comme conséquence, que le temps était proche où l'intérêt servi aux Caisses d'épargne subirait un certain abaissement.

' Le Gouvernement, en effet, ne tarda pas à soumettre au Conseil d'Etat un projet de loi qui avait principalement pour but de ramener à 4 % le taux de l'intérêt alloué aux fonds des Caisses d'épargne.

' Cette disposition devint l' article 1er de la loi du 7 mai 1853.

Elle était suivie d'autres mesures fort intéressantes. C'est ainsi qu'on accordait aux héritiers ou ayantsdroit des titulaires décédés, la facilité de justifier de leurs qualités héréditaires par la production de certificats de propriété délivrés dans les formes et suivant les règles prescrites par la loi du 28 floréal an VII, concernant la transmission des titres de la Dette Publique. (Loi du 7 mai 1853, art. 3.)

D'un autre côté, pour ne pas laisser aux Caisses d'épargne le soin de gérer indéfiniment des comptes sur lesquels aucune opération, soit de dépôt, soit de retrait, n'était plus faite par leurs propriétaires, la nouvelle loi décida que, lorsqu'il se serait écoulé un délai de trente ans, à partir tant du dernier versement ou remboursement que de tout achat de rentes et de toute autre opération effectuée à la demande des déposants, les sommes que détiendraient les Caisses d'épargne au compte de ceux-ci seraient placées en rentes sur l'État, et que les titres de ces rentes, ainsi que les titres achetés en vertu des lois de 1845 et de 1851, seraient remis à la Caisse des Dépôts et Consignations pour le compte du titulaire. Dans tous les cas, les noms des déposants devaient être l'objet d'une publication faite six mois avant l'expiration du délai de trente ans fixé ci-dessus. La déchéance trentenaire n'était encourue que pour les sommes ou les reliquats de sommes qui, à raison de leur insuffisance, ne pouvaient être convertis en rentes sur l'État. Ces sommes devaient demeurer acquises définitivement aux Caisses d'épargne. (Ibid. art. 4.)[1]

[1] Ici se place un fait qui, quoique ne découlant qu'indirectement d'une mesure législative, est intéressant à signaler.

Jusqu'alors la Caisse des Dépôts et Consignations, chargée de faire emploi des fonds des Caisses d'épargne, faisait recette à son profit de la partie du revenu de ces fonds qui excédait le chiffre des intérêts servis par elle. Mais, en 1860, le Ministre des Finances, saisissant une occasion favorable, fit porter le bénéfice réalisé au cours de ladite année par la Caisse des Dépôts à un compte qui prit le nom de Fonds de réserve des Caisses

' Les Caisses d'épargne, associées de plus en plus à l'histoire de notre Pays, devaient bientôt ressentir les effets de la période de 1870-1871. L'affluence des retraits, conséquence logique des événements, mirent le Gouvernement de la Défense nationale dans l'obligation de restreindre à 50 francs par livret les remboursements en espèces et d'offrir pour le paiement du surplus un bon du Trésor à trois mois d'échéance portant intérêt à 5 %. Ce fut l'objet du décret du 17 septembre 1870.

Une exception à cette règle fut faite en faveur des Sociétés de Secours mutuels, dont les ressources déposées à la Caisse d'épargne allaient être plus que jamais nécessaires pour aider au soulagement des sociétaires blessés, malades ou infirmes. Le Ministre accorda, pour les livrets de ces Sociétés, des autorisations de paiement spéciales.

Étaient également exemptés de cette mesure les versements effectués depuis la promulgation dudit décret.

De nouveaux décrets, rendus les 16 octobre, 17 décembre 1870 et 17 janvier 1871, renouvelés ensuite de mois en mois, accordèrent aux déposants le remboursement d'une nouvelle somme de 50 francs par livret.

' Enfin, par la loi du 12 juillet 1871, l'ancien état de choses était rétabli ; les Caisses d'épargne pouvaient reprendre le cours régulier de leurs opérations.

' Elles se relevèrent rapidement. On peut en juger par le mouvement ascendant du solde des livrets qui, de 515 millions en 1872, passa successivement à 769 millions en 1876, pour dépasser le milliard en 1878 et atteindre au 31 décembre 1881, 1,408,903,000 francs pour plus de 4 millions de déposants.

' Ces progrès, pour importants qu'ils soient, étaient insuffisants, si on les comparait à ceux réalisés à l'étranger,

d'épargne et qui fut destiné à recevoir les excédents annuels de revenus provenant de l'emploi des fonds des Caisses d'épargne. Le but de la création de ce fonds était de parer aux difficultés qu'auraient pu créer à la Caisse des Dépôts de nombreuses demandes de retraits nécessitant la réalisation immédiate d'une grande partie du Portefeuille des Caisses d'épargne. C'était une mesure de précaution salutaire qui fut, d'ailleurs, sanctionnée plus tard par le législateur.

notamment en Angleterre. La faute n'en était-elle pas au législateur qui, depuis trente ans, maintenait à 1000 francs le maximum des dépôts et continuait à interdire le versement par semaine d'une somme supérieure à 300 francs ?

' Que fallait-il pour faciliter le développement de l'Institution, sinon reculer les limites fixées aux déposants et faire tomber les entraves apportées à la liberté des versements. C'est ce que comprit le Parlement en votant la loi du 9 avril 1881.

TROISIÈME PÉRIODE

1881-1895

' La loi du 9 avril 1881, ouvrant d'une part, un champ plus large aux opérations et créant, d'autre part, une Caisse d'épargne postale, appelée bientôt " Caisse Nationale d'Épargne," devait nécessairement donner un nouvel essor aux Caisses d'épargne. Disons qu'elle a permis le complet développement de cette admirable Institution. Voici, rapidement énumérées, ses principales dispositions :

' 1° Le compte ouvert à chaque déposant qui, depuis 1851, était limité à 1000 francs, est porté à 2000 francs, qui peuvent être versés en une ou plusieurs fois. Le maximum du versement hebdomadaire est supprimé. (Art. 8.)

' 2° Dès qu'un compte dépasse, par les versements et la capitalisation des intérêts, la somme de 2000 francs, le déposant doit ramener son livret dans la limite du maximum. S'il ne le fait dans un délai de trois mois, après l'avis qu'il a reçu par lettre chargée, la Caisse d'Épargne achète, d'office et sans frais, à son nom, une inscription de 20 francs de rente sur l'Etat. (Loi du 9 avril 1881, art. 9.) Aucune loi n'avait encore prescrit cette dernière mesure assez rigoureuse, et l'achat d'office, qu'avait ordonné la loi du 30 juin 1851, n'était que de 10 fr. de rente.

Le service des intérêts sur l'excédent du maximum est suspendu, à partir de la date de l'avis, jusqu'à la réduction du compte. (Ibid. art. 9.)

3° L'intérêt des fonds versés aux Caisses d'épargne qui, aux termes du décret du 15 avril 1852, commençait à courir le septième jour après celui du versement et cessait de courir sept jours avant celui du remboursement, part, désormais, du 1er ou du 16 de chaque mois, après le jour du versement; il cesse de courir à partir du 1er ou du 16 qui précède le jour du remboursement. (Ibid. art. 3.)

'4° A l'exemple de ce qui se faisait déjà en Angleterre depuis longtemps, les femmes mariées étaient autorisées à faire des opérations aux Caisses d'épargne sans l'assistance de leur mari;

'5° Les mineurs pouvaient, de même, se faire ouvrir un compte sans l'intervention de leur représentant légal ou de leur tuteur et se faire rembourser, sans cette intervention, mais seulement à partir de l'âge de 16 ans, les sommes ainsi versées.

'Le mari, dans le premier cas, et le représentant légal, dans le second, conservaient le droit de s'opposer au remboursement des sommes ainsi versées. (Ibid. art. 6.)

6° Les Sociétés de Secours mutuels continuent à faire des versements aux Caisses d'épargnes, mais leur crédit ne doit pas s'élever au-dessus de 8000 francs.

Les Institutions de coopération, de bienfaisance et autres Sociétés de même nature peuvent être admises à faire des versements dans les mêmes conditions, après en avoir obtenu l'autorisation du Ministre du Commerce.

Quand le compte d'une Société dépassera 8000 francs et n'aura pas été abaissé dans les délais prescrits pour les livrets ouverts à des particuliers, le montant de la rente achetée d'office pour la Société sera de 100 francs. (Ibid. art. 13.)

'7° Pour alléger les difficultés de l'Etat en cas de crise, cette loi décidait que, dans le cas de force majeure, des décrets rendus, le Conseil d'Etat entendu, pourraient autoriser les Caisses d'épargne privées à n'opérer le remboursement que par acomptes de 50 francs au minimum et par quinzaine. (Loi du 9 avril 1881, art. 12.)

8° Pour la première fois, les Caisses d'épargne furent autorisées à se décharger de toutes quittances et pièces et de tous livrets ayant plus de trente ans de date. (Ibid. art. 14.)

9° Enfin, pour compléter l'immunité qu'avait prononcée l'article 9 de la loi de 1835, les imprimés, écrits ou actes de toute espèce nécessaires pour le service des Caisses d'épargne étaient exemptés des formalités du timbre et de l'enregistrement. (Ibid. art. 20.)

' Nous devons constater ici que les heureux effets de cette loi ne tardèrent pas à se faire sentir. Dès 1886, le solde dû par les Caisses d'épargne privées, qui comptent 5,096,716 déposants, s'élève à 2,313,942,000 francs pour atteindre, en 1890, près de 3 milliards pour 5,761,408 livrets.

QUATRIÈME PÉRIODE

1895-1910

' Ce rapide développement avait, dès 1887, soulevé les critiques des uns et provoqué l'appréhension des Pouvoirs publics.

' Et cependant, la gestion des fonds par la Caisse des Dépôts était de nature à donner toute satisfaction aux esprits craintifs. Le fonds de réserve, créé en 1860, s'accroissait sans cesse, passant de 43 millions, en 1891, a plus de 79 millions, en 1895.

' Quoi qu'il en soit, on envisagea bientôt une nouvelle modification de la législation des Caisses d'épargne.

' D'aucuns, les mieux inspirés, au lieu de restreindre l'action des Caisses d'épargne, auraient désiré que l'on élargît les limites créées par la loi de 1837, en autorisant la Caisse des Dépôts et Consignations à faire emploi des capitaux des Caisses d'épargne en placements sur première hypothèque, en prêts aux départements et aux communes, en escompte d'effets, etc.

' Le législateur ne leur donna pas satisfaction.

'Au lieu d'étendre largement les modes d'emploi, on préféra revenir à des dispositions restrictives, analogues à celles déjà employées autrefois.

'Ce fut l'œuvre de la loi du 20 juillet 1895.

'Cette loi, dont le but était d'entraver les progrès de l'épargne, devait nécessairement augmenter le nombre et le montant des retraits, en même temps qu'elle diminuait le nombre et le montant des dépôts par suite, d'une part, de la limitation du chiffre des versements que chaque déposant peut faire dans une année, et, d'autre part, de l'abaissement du maximum légal.

'Les dispositions les plus importantes de cette loi sont les suivantes :

'1° Le compte ouvert à chaque déposant, qui, depuis 1881, pouvait s'élever à 2000 francs, est limité à 1500 francs. (Art. 4.)

'2° Le montant total des versements qu'un déposant peut faire du 1er janvier au 31 décembre de chaque année ne peut dépasser 1500 francs. (Ibid.)

'Viennent ensuite plusieurs articles que le temps très limité dont nous disposons ne nous permet même pas d'analyser, et dont les principaux se bornent, d'ailleurs, à reproduire les dispositions figurant déjà dans les lois antérieures concernant la réduction des comptes dépassant le maximum légal, le caractère nominatif du livret, les prérogatives spéciales accordées aux mineurs, aux femmes mariées aux Sociétés de Secours mutuels.

Voici ces dispositions :

3° Dès qu'un compte dépasse 1500 francs par suite d'une opération quelconque, le titulaire doit ramener son livret dans la limite du maximum. S'il ne le fait pas dans un délai de trois mois après l'avis qui lui est adressé par lettre recommandée, la Caisse d'Épargnee est tenue d'acheter, au nom du titulaire du compte, d'office et sans frais, une inscription de 20 francs de rente 3 % sur l'État. En outre, le service des intérêts sur l'excédent du maximum doit être suspendu à partir de la date de l'avis

jusqu'à la réduction du compte. Cette disposition se trouvait déjà inscrite dans la loi du 9 avril 1881.

Il est, toutefois, accordé un délai, dit délai de tolérance, aux titulaires de livrets ouverts avant la promulgation de la loi nouvelle. Par suite de cette disposition, tous les livrets ouvrets avant le 6 août 1895 continuent pendant cinq ans, à partir du 1er janvier suivant, c'est-à-dire jusqu'au 1er janvier 1901, à pouvoir atteindre le maximum de 2000 francs par l'accumulation des intérêts. (Loi du 20 juillet 1895, art. 4.)

4° Les Sociétés de Secours mutuels et les Institutions de coopération, de bienfaisance ou autres Sociétés de même nature ayant obtenu du Ministre du Commerce une autorisation spéciale leur permettant de jouir du même avantage, peuvent faire des versements jusqu'à concurrence de 15,000 francs. Le maximum était jusqu'alors limité à 8000 francs.

Lorsque le compte d'une Société dépasse 15,000 francs et n'a pas été abaissé dans les mêmes conditions et délais que ceux établis pour les livrets des particuliers, un achat de 100 francs de rente 3 % est effectué, d'office, au nom de la Société.

Mais le législateur n'a pas cru devoir mettre de limites au montant des versements qu'une Société peut faire du 1er janvier au 31 décembre. Les dispositions qui entravent, sur ce point, les opérations des simples particuliers, ne leur sont pas applicables. (Ibid.)

5° La loi nouvelle dispose expressément que les livrets des Caisses d'épargne sont nominatifs, et que, par suite, toute somme versée à une Caisse d'épargne est, au regard de la Caisse, la propriété du titulaire du livret. (Ibid. art. 16.)

6° Les mineurs et les femmes mariées continuent à être admis à se faire ouvrir des livrets et à disposer des fonds versés sans l'assistance de leur représentant légal ou de leur mari, sauf opposition de ceux-ci.

Dans le cas d'opposition de la part du mari, la loi de 1895 prescrit qu'il sera sursis au retrait du dépôt, et ce, pendant un mois à partir de la dénonciation qui en sera faite à la femme par lettre recommandée, à la diligence de la Caisse d'Épargne. Passé ce délai, et faute par la femme de s'être pourvue contre ladite opposition par les voies de droit, le mari pourra toucher seul le montant du livret, si le régime sous lequel il est marié lui en donne le droit. (Loi du 20 juillet 1895, art. 16.)

7° La même pénalité que sous la législation antérieure, et qui consiste à perdre l'intérêt de la totalité des sommes versées, frappe les titulaires de plusieurs comptes, que les livrets soient de la Caisse postale ou des Caisses d'épargne ordinaires. (Ibid. art. 18.)

8° Une déchéance continue à atteindre les livrets sur lesquels, depuis trente ans, aucune opération de retrait, de dépôt ou d'achat de rente n'a été faite à la demande du déposant. Mais, depuis la loi de 1895, les sommes qui, en vertu de l'article 4 de la loi du 7 mai 1853, étaient

placées en rente et celles qui étaient attribuées aux Caisses d'épargne par le même article sont prescrites à l'égard des déposants. Elles sont réparties entre les Caisses d'épargne, à concurrence des deux cinquièmes, et les Sociétés de Secours mutuels possédant des Caisses de retraites à concurrence des trois cinquièmes. (Ibid. art. 20.)

9° L'intérêt à servir aux Caisses d'épargne ordinaires par la Caisse des Dépôts et Consignations est déterminé en tenant compte du revenu des valeurs du portfeuille et du compte courant avec le Trésor représentant les fonds provenant des Caisses d'épargne.[1]

Les variations de ce taux d'intérêt ont lieu par fractions indivisibles de 0 fr. 25 c. %.

Lorsqu'il y a lieu de modifier le taux, le nouvel intérêt à servir aux Caisses d'épargne est fixé, avant le 1er novembre, pour l'exercice suivant, par un décret rendu sur la proposition du Ministre du Commerce et du Ministre des Finances, après avis de la Commission de surveillance de la Caisse des Dépôts et Consignations et de la Commission supérieure institutée par l'article 11 de la présente loi. (Ibid. art. 5.)

10° Un fonds de réserve et de garantie, établi sur des bases beaucoup plus larges que sous l'empire de la législation antérieure, est institué par la Caisse des Dépôts et Consignations qui le gère, sous le contrôle de la Commission de surveillance. Cette disposition de la loi nouvelle est une sûreté ajoutée à toutes les garanties destinées à assurer l'intégralité et la régularité des remboursements des fonds confiés aux Caisses d'épargne. (Ibid. art. 6.)

Enfin 11° Il est formé auprès du Ministre du Commerce, une Commission supérieure qui se réunit au moins une fois par an, pour donner son avis sur les questions concernant les Caisses d'épargne ordinaires ou postale. (Ibid. art. 11.)

'On eut pu croire qu'en présence de l'abaissement du maximum et de la limitation du quantum de versement dans l'année, une diminution du solde des dépôts ne tarderait pas à se produire. Mais il n'en fut rien et le solde général est toujours resté à un niveau élevé.

Ainsi le montant des fonds versés à la Caisse des Dépôts et Consignations par les Caisses d'épargne ordinaires, qui s'élevait au 1er janvier 1895 à 3,286,761,750 francs, atteignait à la date du 31 décembre 1897 : 3,427,096,888 francs. Quant aux livrets ouverts, ils étaient, à cette der-

[1] Il est actuellement de 3 fr. 25 %. La retenue pour frais de gestion est de 0 fr. 25 % ou de 0 fr. 50 % suivant les Caisses d'Épargne. Les unes donnent donc aux déposants 3 fr. %, les autres 2 fr. 75 %.

nière date, de 6,772,582, dépassant de 443,845 le chiffre arrêté au 1er janvier 1895.

Seule, la moyenne des comptes s'était abaissée. Elle était de 519 fr. 28 c. au 31 décembre 1894, et après avoir monté à 522 fr. 50 c. en 1895, elle revenait à 509 fr. 89 c. en 1896 et à 506 fr. 03 c. en 1897.

Ajoutons enfin que le solde dû aux déposants par les Caisses ordinaires et la Caisse d'épargne postale était, au 31 décembre dernier, de 3,810,135,211 francs pour les premières et de 1,639,672,880 francs pour la seconde, soit en tout 5,449,808,091 francs pour près de 14 millions de déposants.

Nous devons également faire mention de la loi du 6 avril 1901 qui est venue adoucir la pénalité rigoureuse frappant les possesseurs de doubles livrets. A l'avenir, la retenue des intérêts prévue par l'article 18 de la loi du 20 juillet 1895 ne peut pas remonter à plus de trois ans à compter du jour de la constatation de la contravention.

'Il nous reste à signaler la loi du 13 juillet 1907 sur le libre salaire de la femme mariée qui, en admettant une dérogation à la règle de l'incapacité légale de la femme, a permis l'ouverture d'une nouvelle catégorie de comptes établis sans l'assistance des maris des titulaires.

'Bien que plus timide que la loi anglaise, quant aux droits qu'elle donne à la femme, cette législation constitue néanmoins un pas vers le progrès.

'En présence de résultats semblables acquis sous un régime assez étroit, il est permis de se demander quels services l'Institution n'aurait pas été appelée à rendre, si, au lieu de la laisser dans son cadre primitif, on eût élargi son mode d'action et permis aux capitaux, provenant de l'Epargne du peuple, de faire bénéficier ce dernier de ses propres efforts en allant vivifier les différentes branches de l'activité nationale.

'Toutefois, ce que le législateur n'a pas admis pour les fonds des déposants, il a commencé à le faire pour une partie des fonds constituant les fortunes personnelles des Caisses d'épargne en en autorisant l'emploi en faveur des habitations à bon marché, jardins ouvriers et bains-douches.

L'article 10 de la loi du 20 juillet 1895 permet aux Caisses d'épargne

d'employer la totalité du revenu de leur fortune personnelle et le cinquième du capital de cette fortune en valeurs locales énumérées ci-dessous, à la condition que ces valeurs émanent d'institutions existant dans le département où les Caisses fonctionnent: bons de Mont-de-Piété ou d'autres établissements reconnus d'utilité publique; prêts aux Sociétés coopératives de crédit ou à la garantie d'opérations d'escompte de ces Sociétés; acquisition ou construction d'habitations à bon marché; prêts hypothécaires aux Sociétés de construction de ces habitations ou aux Sociétés de crédit qui, ne les construisant pas elles-mêmes, ont pour objet d'en faciliter l'achat ou la construction, et en obligations de ces Sociétés.

Cette disposition a été complétée d'abord par la loi du 12 avril 1906 sur les habitations à bon marché, qui a étendu ce mode d'emploi aux actions de Sociétés de construction de ces habitations et à des prêts hypothécaires au profit de particuliers désireux d'acquérir ou de construire des habitations à bon marché.

Les diverses facultés d'emplois prévus par les lois de 1895 et de 1906 doivent, en outre, s'appliquer aux jardins ouvriers et aux bains-douches.

La loi du 10 avril 1908, sur la petite propriété et les maisons à bon marché, permit ensuite aux Caisses d'épargne de faire, au taux réduit de 2 %, les opérations effectuées par ces Caisses en exécution des dispositions précitées.

L'introduction du 'homestead' en France, par la loi du 12 juillet 1909, est venue donner un supplément d'intérêt à ces différentes mesures.

Enfin, la loi toute récente du 19 mars 1910, sur le crédit individuel à long terme, donnant aux Sociétés de crédit immobilier, dont les Caisses d'épargne peuvent souscrire des actions, la faculté d'obtenir des avances de l'État pour consentir des prêts en vue de la transformation et de la reconstitution des petites exploitations rurales, ces Caisses sont ainsi associées à la réalisation d'un progrès social intéressant: le développement agricole et économique du pays.

'Voilà, Messieurs, très rapidement passée en revue la législation sur les Caisses d'épargne en France. Si nous avons choisi ce sujet, malgré le peu de temps dont nous disposions pour traiter une question aussi étendue, c'est parce que nous estimons que, pour que les Caisses d'épargne soient à même d'échanger utilement leurs vues, pour qu'elles puissent apprécier leurs innovations et que l'exemple donné par l'une soit profitable aux autres, il est indispensable qu'elles se connaissent réciproquement, qu'elles aient une

notion suffisante des lois qui les régissent et des règles de leur fonctionnement.

' Nous espérons en effet—qu'il nous soit permis en terminant d'émettre ce vœu—que, dans l'avenir, des circonstances semblables à celle qui nous réunit actuellement, amèneront le retour de nouvelles conférences et que les Caisses d'épargne pourront ainsi s'exposer mutuellement leurs progrès, se montrer leurs efforts, se confier leurs espérances ! (*Loud applause.*)

Sir ALBERT ROLLIT said the administration of the Savings Banks was much better than that of some other State and Municipal Departments in France, and he instanced the Caisse des Depôts et des Consignations, which was independent of the Ministry of Finance, as even a better arrangement, in the interest of the depositors, than the combination of the National Debt Commissioners and the Savings Banks Inspection Committee, the views and action of which had not hitherto always been in entire accord. Moreover, the French system prevented more effectually the use of Savings Banks Funds for Government purposes, such as monetary conversions and the like, and was in this and other respects superior to our own system, under which the Inspection Committee, which was appointed to guard the interests of the depositors, was not always as free to act independently and directly as La Caisse, though the Inspection Committee ought always to have full liberty in its action on behalf of the Banks and those interested in them, either administratively, or, like the depositors, pecuniarily. Had this check existed earlier, or had the French system been adopted, or had there been a State Savings Bank Department to deal with the Funds in the interest of the depositors, some bad political economy might have been prevented on the part of statesmen and the Legislature, for example, in dealing, or rather not dealing, with early annual deficits, though the policy of offering a

bonus in aid of Thrift was advisedly adopted by the State, and had not only much to recommend it, but was actually a source of saving to the nation, and might have been more so if the financial results, and the alternate emergency, had been more speedily and wisely and justly dealt with by Governments. (*Hear, hear.*) He hoped the representatives of France, in seeking to maintain the Entente Cordiale, in effecting which he had taken some part, as then a resident in Paris, and of French origin and descent, would convey messages of goodwill, and of British desire of friendship with France and with Frenchmen, to their President and people, and especially to the people of Bordeaux, where the Entente originated in 1895, and which was ably represented at the Conference by M. Capeyron ; and that the same greetings and wishes for comity and concord would be carried by their representatives to Belgium, by Monsieur Houtevelde, of the General Savings Bank, Brussels, and to Germany, Holland, Italy, Switzerland, and other countries taking part, through their members, in the Congress. (*Applause.*) He was sure that one of the permanent recollections of this Congress would be the large international element which had been present, and the very high standing of the national representatives. It was sometimes good for us, with our national insularity, to enlarge our horizon of observation, thought, and experience, and some of the addresses and speeches read and spoken to us to-day from abroad would be a great source of help to us as Savings Bank people. He had read, for instance, the Report of the Lyons Savings Bank, of which an eminent representative, M. Bellemain, was present, and wished that our British Banks had some similar powers and privileges to attract savings, and to cultivate Thrift. He applauded and envied the splendid economic and social work done by that great institution and its results, a remark which also applied, in some

measure, to the German, and especially the Prussian, Savings Banks. He should also like to see some system of cheques devised for Savings Banks as in other countries. He hoped that their friends would take back to their native lands —France, Italy, Belgium, Holland, Switzerland, the United States, etc.—an expression of our friendly feeling to all the world, and the message that our country desired only national and international peace, based upon goodwill ; and he felt that these friendly meetings and interchanges of pleasant courtesies were factors that must prevail with the nations for the peace of the world, since their work is our work, and the more we enlarged mutual intercourse and knowledge, the greater the hope of general pacific progress. (*Loud applause.*)

RECENT SOCIAL LEGISLATION

Mr. Thomas Jaffrey, Actuary of the Savings Bank, Aberdeen, was then asked by Sir Albert Rollit to give an address on the ' Probable Effects of Recent Social Legislation on Savings Banks.'

Mr. JAFFREY said : In introducing this subject to this Conference in a form slightly amended from that set forth in the official programme—for which deviation I apologise—I desire to say at once that while it savours of a controversial nature, it will be my endeavour to discuss it in a thoroughly impartial and non-partisan spirit.

I am not, I may explain, what is termed an ardent politician, but even if I could have aspired to claim such a questionable appellation, I should still have recognised the impropriety of introducing party politics or unnecessarily strained language into an assembly such as this, composed as it is, I do not doubt, of adherents, more or less attached, of the various shades of political opinion in the State. While this is so, I cannot, I suspect, wholly escape the duty of

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CHAIRMAN OF ABERDEEN SAVINGS BANK

(Photo by Morgan, Aberdeen)

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ABERDEEN SAVINGS BANK

(Photo by MacMahon, Aberdeen)

examining very carefully certain principles and tendencies of social legislation which, in their recent and projected applications, seem to me to call for the frankest possible criticism and comment.

To those of us at least who owe the greater part of our knowledge on economic theory to the orthodox school of political economy, such principles and tendencies are particularly disconcerting, but if we have possessed our minds in freedom, and have kept our windows open towards the light, we must own, probably with a touch of regret, that the whole mental attitude on questions economic has altered since John Stuart Mill's day, and that political economy itself, instead of being limited in its scope to a mere study of wealth, is now regarded on its more important side as a part of the study of man.

This new and enlarged conception has completely revolutionised our ways of thinking on political economy, and has also generated a social temper which finds expression in multitudinous directions, but which, on its practical side, seeks pre-eminently to make better by legislative means the material lot of the mass of the people.

The chief note of this new movement is the social note, and the one great absorbing instrument by which social change is to be brought about is State action.

Formerly, we used to concentrate our energies on political reform as a supreme concern, and if social reform was attempted at all, it was felt that voluntary effort and enterprise were singularly well fitted to deal with it.

But now, as I say, we have drifted far from these lines and have given ourselves over to all kinds of social experimentings through the medium of the State. A development of public feeling in the direction indicated need not necessarily give us alarm : it may, however, well make us pause, for it appears to me that the reaction against the

doctrines of the orthodox school of political economy may, unless moderated by experience, carry us to destinations which may in the end prove other than desirable.

Personally, I am not at all opposed to State action when it can be shown to be preferred to individual voluntary action, but what I fear is that an overweening and exclusive dependence upon State action for social betterment may weaken, and eventually destroy, all social efforts of an individual voluntary character.

Much of the social legislation of the past was of an indisputably beneficial kind, and public opinion, however divided it may have been at the time as to its wisdom, has at last settled upon it a distinct mark of approval.

Even now no one cares to oppose factory legislation, which aims at protecting the health and lives of women and children; and the Miners' Eight Hours Act of the present Government, open as it is to objection on many grounds, extends to a highly dangerous occupation restrictive provisions, for which much can be said in defence.

The principle of this Act is certainly novel, but I do not stop to discuss it. What I desire to note more particularly is one of its striking object-lessons, namely, the apparent dominant feeling among the miners to substitute State action in such a matter for trade union, voluntary, action.

The economic effect of such an Act is not, it is true, modified in the slightest degree by the methods adopted in carrying the Act into operation, whether those methods are Parliamentary or trade union, but the preference of the miners for legislative action but evinces, as I think, the increasing disposition of working men generally to look for social and economic reform through State action rather than through their trade unions.

In relation to all legislation of this kind which, it may be stated, has become general in all progressive communities,

we have got to consider very seriously the effect it is likely to have both upon national character and upon existing social organisations operating with remarkable success on voluntary lines.

The thrift societies and the Savings Banks move on a common plane in inculcating—the one for specific, the other for general purposes—virtues and habits which are of the utmost importance to the community. The virtues themselves may not be of the highest order—I am far from supposing that they are—but their practice notwithstanding is of vast concern to the individual as well as to the State, and no one, therefore, who values self-respecting qualities can do other than assign to them a very high place in the category of meritorious social assets.

It is rather the custom in some quarters, I fear, to speak of thrift and prudence in regard to material possessions as old-fashioned and anti-social notions meriting scant consideration at the hands of an age which has taught individuals to depend on outside agencies for succour in times of need and distress; but I think there is sufficient self-respecting good sense left among us, at any rate in Scotland —I cannot pretend to answer for England—to resist and to condemn, with deserving opprobrium, any insidious attacks that may be made upon the qualities of independence and individual grit, which have made both our sons and our nationality truly great and powerful.

Now what, we may inquire, is the main object of recent social legislation in regard to the maintenance and cultivation of the qualities to which I have adverted?

In other words, and in a more general way, what is the State's real intention in extending its functions, in augmenting its social activity, and in overshadowing so large a territory of individual initiative?

The answer, in its more extreme form, is this: that the

State, in springing into being as a universal provider and protector, is merely seeking power and enrichment in order to discharge its responsibilities to the individual on the hypothesis apparently that in the modern State the individual is but a helpless, feckless unit, incapable of self-protection.

As thus stated, we readily perceive, without a shadow of ambiguity, the direction in which it is desired the State should go in social legislation, and although the definition of the object may not be generally accepted by the wise and prudent on the rostrum, still it may fairly enough be accepted as expressing the matured and final thought of the philosopher in his chair.

But as practical business men immersed in practical concerns we have no interest in extravagant proposals. Whatever our personal opinions as managers and officials of Savings Banks may be as to the soundness of the theory to which I have alluded, I presume we are at least all agreed on two points. The first is that the State should not do for the individual what the individual can and ought to do for himself; and the second is, that the ultimate interests of society require to be protected against the immediate interests of the individual.

By common consent civilised communities recognise the propriety and wisdom of establishing free libraries, free museums, free picture galleries, and also of subsidising theatres and opera houses for the intellectual pleasure and betterment of their working populations; and such communities, or the better part of them at least, do not grudge the financial cost involved, since the social amenities are acknowledged to be, in the best sense of the term, a paying social investment.

Those 'free services,' as they are called, the individual as a rule cannot procure for himself either in the needful

abundance or in the requisite quality, and it is consequently admitted to be advantageous to society, without impairing in any way the personal virtue or habit of the individual, to possess those things in common.

Perhaps the things that are one's exclusive property are the things which one prizes most; but since many, probably the majority, in every modern community do not own, and can never hope to own, the supremely humanising things that matter, society very properly considers it quite within its legitimate province to provide a common enjoyment of them out of the revenue of the common exchequer.

A social policy of this nature, prosecuted with caution and prudence, does not, in my judgment, interfere with the development of habits of thrift and foresight : indeed, it is, on the other hand, eminently fitted to stir the individual to frugality and self-sacrifice, to the end that he too may eventually acquire for himself a moiety of those ennobling services which minister to intellectual delight.

While, however, the interests of the individual are not to be sacrificed, we must not forget that the ultimate interests of society are after all paramount. When, for example, the question of free education was first mooted as a subject of political discussion, considerable opposition was offered to it chiefly on grounds of equity, but the fact gradually dawned upon the public mind that the permanent interests of society required the adoption of a measure enforcing by law universal free instruction to all the children within the country.

It was, of course, urged that parents were bound to pay for the education of the children which they brought into the world, and it was further contended that they could very well do so if they only exercised ordinary prudence, and spent their money wisely ; but excellent as those arguments appeared to be in support of non-intervention, the State

nevertheless conceived it to be in the public interest to undertake obligations which parents could not, or would not, themselves assume.

But legislation of this kind may, in my judgment, be carried too far, and, I am afraid, the Education Provision of Meals Act, 1906, goes perilously near the boundary line of unreason.

When this Bill was under discussion in the House of Commons, it was stated that the provision of free meals to school children would not entail upon the State a heavy financial outlay, inasmuch as the greater part of it would subsequently be recovered from the parents.

The Report of the Board of Education to 31st March 1909 lends a somewhat different complexion to this prediction, for out of a total sum of £66,000 expended by local authorities in England and Wales on the free feeding of children, only £295 was recovered from the parents.

Is it surprising, in the light of this experience, that the Board should hesitate to assume the responsibility for the proper working of the provisions of the Act requiring the recovery of the cost of the meals from the parents? It is not, in my opinion, at all surprising.

The feeding, and eventually as is seriously proposed, the maintenance of all school children, must however give us all pause for many reasons, but chiefly because the proceeding strikes, as it seems to me, at the very roots of parental responsibility, and throws on the State a duty which the individual himself manifestly ought—unless we are to throw to the winds all our established notions of social relations—to perform. Surely we must draw the line of personal obligation somewhere, and if we can we might as well draw it here without jeopardising the ultimate interests of society.

The thrift agencies of this country have done a splendid

work in the past, and I see no reason why their work should not be equally splendid in the future. They have taught the mass of the people the salutary lesson of self-help, and have delivered from poverty and distress thousands who, had they never existed, would have had to invoke the aid of the State. They have also spared the State untold burdens. Still I perceive certain legislative perils in front of us which threaten to impair their future usefulness if not to jeopardise their continued existence.

The Friendly Societies with their membership of 13,000,000 and funds of over £50,000,000, are specially deserving of honourable mention. Managed with extraordinary capacity and fidelity by working men, whose devotion to the interests of the Friendly Society movement has excited the astonishment of the purely commercial mind, those societies take high rank among the civilising agencies of our time, and so merit the utmost consideration, in any general scheme of reorganisation, at the hands of the State.

The trade unions too, in so far as they operate as Friendly Societies—I express no opinion on any other feature of their work—have done excellent service among the working class under conditions which have not seldom been exceedingly unfavourable. Both of these, as voluntary agencies, have performed functions of the highest social value to the State, which now, in its turn, threatens to deprive them of part, at least, of their perfected utility.

The complaint of the one against the provisions of the Old Age Pension Act, which penalises the thrift of their membership, and the complaint of the other regarding the over-lapping of effort caused by the intervention of the Labour Exchanges, are both well founded, and it is to be hoped that a solution for the difficulties raised may be speedily found.

But the emergence of a solution for those difficulties will not, I fear, terminate the competition of the State in social work; for insurance against unemployment, but especially sickness, is already looming in the not remote distance—proposals which, if carried into effect, must seriously contract the usefulness of Friendly Societies unless a compromise is arrived at and a working agreement discovered.

This scheme for insurance against unemployment, it may be stated, is to take the whole area of some great trade and the workers in it, skilled and unskilled alike, and to deal with them on a compulsory basis which would secure to every one within the trade a certain minimum of support during the fluctuations of unemployment.

No doubt the hardships attending unemployment would not be so severe as they are if working men generally would, in good times, lay aside something against the evil day. We sometimes get impatient of social remedies which often look like quack palliatives, when we consider how much hard-earned money is spent foolishly and without regard to future consequences. But after we have blown off all our steam, and fully reckoned up all the facts of the case, we then begin to realise how complex and how difficult the problem is.

The unemployed man who seeks for work and cannot find it is really a tragic figure. He is indeed a spectre in our civilisation which darkens our whole outlook upon the future of society and baffles our inventive wits to understand. No wonder that the State, in its extremity, should revert to a temporary expedient devised to minister to his partial relief.

On the other hand, unemployment itself is, I verily believe, the greatest known enemy of thrift, the most demoralising influence that can possibly overtake a human being.

In saying this, I am not forgetful of the waste and misery caused by the prevailing drinking habits of our people. Those habits we deplore and reprobate. But after making full allowance for the suffering which is directly traceable to intemperance, we have to own—and impartial social investigators have frankly acknowledged—that the practice of this excess does not wholly explain the fact of unemployment.

I may here incidentally observe that recently I had occasion to run through the pages of a little book entitled *How the Casual Labourer Lives*, which struck me as being a volume of more than ordinary interest.

It was in substance a report upon the domestic condition and expenditure of the families of certain Liverpool labourers, and in running through the family budgets appended I was impressed by two striking facts. I could, in the first place, find no reference in the accounting to the Savings Bank, although the pawn shop figured prominently in the bill; and in the second place, I was surprised at the amount of thirsty foods which was purchased by those families for daily consumption.

I need not define scientifically the precise nature of a thirsty food, as I suspect its component parts are fairly well known to you all; but I wish to emphasise, what I am afraid is too often forgotten by temperance reformers, that the question of drink is closely related to the question of food.

If a cultivated man like George Borrow, practising economy on the most approved lines, could not make a meal of a bit of bread and cheese without a glass of porter, I am sure that a dock labourer whose daily fare is stale fish and salted meat, containing a minimum of nutrition, is hardly proof against a glass of beer.

The social habits of a people are unquestionably responsible for much social misery, but there are certain social evils, and unemployment is one of them, which appear to

take their rise in, and are perpetuated by, industrial conditions.

The desire of the State to interpose on behalf of the individual is further illustrated in the Trade Boards Act of 1909, which aims at establishing in certain specific trades, where wages are exceptionally low, a legal minimum wage.

While the object of this Act is clearly that of finding wages by legal enactment for the worker, and thereby of putting him in 'pocket,' we concur in the arrangement, because mere public opinion, unfocussed by the legislature, signally failed to moralise what is termed the sweated industries.

One word may be permissible here with regard to the Old Age Pension Act. I observe that Mr. Cargill is to deal with it specially, so that my remarks on the subject must necessarily be few.

In appraising social legislative experiments one must, I feel, proceed with caution in the expression of dogmatic opinion, because it is impossible for any of us to predict on *a priori* reasoning precisely what the final results in a given instance may be. The Old Age Pension Act may be cited as a case in point. Theoretically the proposal looked very well, but at the outset at least I felt considerable trepidation as to its probable effects on the Savings Banks in particular, and on the thrift movement in general.

But whatever our fears may have been on either hand, the Savings Banks at least have not so far suffered from the operation of the Act ; indeed, I have heard it stated, on what authority I cannot tell, that they have materially benefited by its provisions.

Our experience of it, however, is manifestly hardly wide enough to enable us to form any definite conclusions as to its final permanent effects, and we are therefore, I think, precluded from dogmatising upon the point at this stage.

I note, however, that in Denmark old age relief has not demoralised the masses or rendered them thriftless and improvident, as was confidently asserted it would, but has, on the contrary, so it is alleged, enabled the masses to save more than they used to do.

Reviewing the ground which I have hurriedly covered, it will be seen that social legislation is more and more undertaking to procure for the individual many things which he had previously acquired for himself.

It finds him numberless free social services : it finds him food, it finds him work, it finds him wages, it delivers him from the discharge of personal obligations in respect of the feeding of his children, it dowers him with a pension at seventy : in short, it almost abolishes for good what the thrift agencies very well describe as the rainy day.

We may fairly ask ourselves whether, in view of all this paternal public provision, it will be much longer necessary for the mass of the people to practise habits of frugality, or to provide against the contingencies of employment and existence.

One might feel a measure of confidence in offering a hypothetical answer, if only one could be moderately assured that we had reached the termination of this abnormal collective activity.

If, however, I read the signs of the times aright, and accurately appraise predominant social tendencies, I cannot but conclude that, so far from being at the end of this species of legislation, we are, I am confident, only at the beginning of a long chapter of social experiments the magnitude of which I dread to contemplate.

Very probably the principle of compulsory thrift will be recognised and enforced in some of those forthcoming schemes, and if that is so we may have to admit with sorrow that compulsory thrift is after all preferable to no thrift at all.

Still it must, at its best, be but a poor substitute for voluntary thrift. As a writer in a recent issue of *The Edinburgh Review* aptly observes: 'Compulsory thrift has no disciplinary effect on the mind. It relieves the man of the moral effort to save; it loses for him the improvement in character accompanying such moral effort; it shields him from penalties which moral weakness would naturally bring. Although the action may be thrifty by law, the mind itself is left thriftless and undisciplined.'

Very possibly too the thrift societies organised for specific purposes may be in grievous danger of hurt from prospective social legislation unless they now anticipate impending changes by enlarging their functions, if that be practicable, and undertaking tasks which hitherto have not come within their purview. It will fall to those responsible for their management to consider whether the existing machinery which is theirs is susceptible of adaptation to new conditions and requirements.

The Savings Banks, however, stand in a rather different category, and consequently are not, in my opinion, so liable to suffer from social change as the other thrift agencies.

As society progresses and as the standard of comfort of the individual moves in an upward direction the necessity for saving must remain a permanent force for generations to come, especially among a population such as ours three-fourths of whom depend almost wholly on wages for their living.

Fortunately, the sentimental optimism which prevails in some well-to-do quarters that happiness stands unrelated to wealth forms no part of working-class philosophy.

Persons, it is true, may be found who can afford to talk disparagingly of money as being the root of all evil, but most people of wholesome minds are rather fond of a pretty large share of that root.

The desire to possess and the impulse to enjoy a more abundant life, as a consequence of that possession, are powerful motives to human effort in modern civilisation, and it has to be noted that those powerful motives have in recent times become pronouncedly operative among the mass of the people who have hitherto possessed little and enjoyed less.

In the ascending effort towards better things possession but whets the appetite for greater possession, enjoyment but creates a thirst for increasing enjoyment, the improved standard of comfort but serves to provide the inevitable step to a higher plane of being.

The pleasures of the mass of the people are often declared to be other than of a commendable character, but whether we approve or whether we reprobate, the fact remains that pleasures they must have. The quality of those pleasures may not be ideal, but the mere desire to enjoy a positive existence contains within it the promise of loftier ambitions.

Since, therefore, none of those things can be obtained without money, we may be certain that the desire to possess will in the future be a more operative motive among the mass of the people than it has ever been in the past, and that money will be saved not so much for its own sake as for what it can procure in personal well-being and happiness.

To the Savings Banks have come the hard-won earnings of depositors who have scraped and saved to ward off the terrors hitherto incident to the common life of the common people; but even were the State to destroy for ever, as seems its present intention, the worst of those terrors the incentive to save would not in my opinion be diminished, but would, on the other hand, be very sensibly increased, for it is not to be supposed that the better part of life consists in a mere struggle for bread to eat. But this larger, fuller life which

we wish for all is yet far off, and the struggle of the majority to procure a mere existence must remain with us as a social problem for generations to come.

Modern industrial conditions, we cannot fail to note, are always imposing upon the working class additional reasons for the exercise of habits of frugality in order to procure material necessities, and I may be permitted to refer in conclusion to an entirely new feature of industrial life in illustration of this fact.

The full wage-earning capacity of the average skilled workman begins nowadays at twenty-five to thirty, and ends at fifty or fifty-five. Previously a man was permitted to work at his trade well into old age without depreciation of wage, but to-day he must get outside the factory gate when he reaches, and often before he reaches, the age of fifty-five.

And if this is the fate of the skilled workman, how much more terrible must be the fate of the poor, unorganised, unskilled labourer.

To all such the Savings Bank must always remain an urgent necessity. They must economise with sedulous care not only to procure bread and the bare necessities of life, but to obtain for themselves, if happily they may, a measure of those civilising advantages which minister to the higher needs. (*Loud applause.*)

The Rev. Mr. DINWIDDIE, of Ruthwell.—There is no question that if thrift is to be made compulsory, it must be of very little disciplinary or educative importance. I happen to know that in connection with the Savings Bank that was started in my parish, Dr. Duncan made it a condition that if four shillings were not put into the Bank in any year, a fine of one shilling was exacted. If that was not a suggestion of compulsory thrift, I don't know what it was. The sum to be deposited was very trifling, but it was a benefit to the

depositors to be reminded in this way of the necessity of keeping up their small contributions. On a larger scale, Life Assurance premiums are just compulsory savings, because the notice that we receive is a statement that if we do not pay, certain penalties will be exacted. It would be right that the Savings Banks should bear in mind that they are working hand in hand with those very influential associations which flourish to such a degree in this city of Edinburgh. It was one of my weaknesses to go into Life Assurance, and I know a considerable number of Life Assurance Companies, which is one of the most creditable features of this city, are able to show splendid results. It is well that one should bear in mind that Savings Banks are not the only thrift agencies. I have listened with great interest to Mr. Jaffrey's paper, and it is thoroughly deserving of being published *in extenso*. (*Applause.*)

Mr. JOHN SYMONS, Dumfries, said the previous speaker had only stated one side of the account—the punitive side. The original idea was to give a premium to those who deposited regularly. In the Dumfries Parish Bank they for many years, up to 1893, gave a premium of one shilling to those who regularly deposited once a fortnight for the first year, two shillings for the second year, three shillings for the third year, and four shillings for the fourth year. This was a great inducement to poor people. He had in his mind a family who had five pass-books, each having deposited so regularly as to be entitled to the four shillings at the end of the year. The head of the family told him he had got £20 of premiums during the time they were depositors. He was amazed to find how, from very small earnings, large savings might be made. He knew of a shepherd, whose earnings could not exceed 16s. a week, and who had £800 in the Bank. He died a few days ago, and he found that the actual money he paid to the Bank

was £325. The rest was made up by interest. He knew of a domestic servant who drew £600 to purchase an annuity of £50 a year. She had saved this amount during a period of thirty years. This showed that people who had the spirit of thrift could easily provide for themselves before they reached the age of sixty. As to those who broke down, there was no thinking man in this country who would not approve of granting an Old Age Pension to those who had served the State well. There were many who had brought up large families on a small wage, and 5s. a week was a small return for bringing up a family in the proper way. He could remember of a poor woman who had saved £200, and who had become unable to work any more. She began to live on her savings, drawing from 8s. to 10s. a week, and this went on for some years. £200 lasted a long time, but he saw with great pain that the amount in the book was going down, and he was sorry when she took the book away, and nothing remained at her credit. Next Saturday she came back and wanted another payment, but he had to tell her that her capital had been exhausted. She was surprised, and he explained to her that she could get no money from the Bank unless she had a book with a sum at her credit. She was not satisfied, and the following Saturday she came and asked pathetically for some money, with a penny pass-book. That was a very pathetic case of a good habit that had been once formed, and the spirit of thrift was still there. (*Applause.*) The papers that morning had been of a high order of merit, and he was glad they were to be published, because it was desirable that they should reach a wider circle than those who were present. (*Applause.*)

The Hon. JOHN KIDD, Australia, said he did not for the life of him see why an Old Age Pensioner should not get a pension until he had reached the age of seventy. It had been pointed out that labourers in factories and other industries,

when they had reached fifty or fifty-five, were discarded. The want of employment came to those people long before they reached the age of seventy, and many men of forty or fifty did not look forward to living beyond the age of seventy years. He did not see, therefore, how the Savings Banks or the habit of thrift should be affected by the fact that Old Age Pensions were paid at seventy. Before the inauguration of the Federal Government of Australia, each of the States had Old Age Pension Acts. The Federal Government had now taken it up, and they paid 10s. a week at the age of sixty-five, and when a person was injured or was unable to pursue his vocation, he was entitled to consideration. Where there was a married couple they got 15s. a week at the age of sixty-five. When the State Old Age Pension Law was in force, the pensioners must have lived twenty-five years in the State to entitle them to a pension. That had happily been got over, and now the whole of Australia was one State as regards pensions. If they lived in Australia for twenty years, they were entitled to an Old Age Pension. That could not affect the thrift of the people or their desire to save, because when they knew that they would lose their employment at fifty or fifty-five, they would be anxious to make provision in case they should live to the age of seventy. (*Applause.*)

Dr. URQUHART, Perth, said that Aberdeen could be congratulated on producing such a paper. The tendency to social change would require to be very narrowly watched by those interested in the welfare of the people, but it was a great comfort that whatever might be done now or in the immediate future, the amount deposited in the Savings Banks of the kingdom was maintained and was vastly increasing. If social changes had militated against the thrift of the nation, they would have had a barometrical registration of their effects in the case of Savings Bank deposits. It

was extremely interesting to have a historical account from the Comte de Panouse of the French method, because they remembered that at a time when France was at a very low ebb politically, it was found that the poorest people of the country produced what astonished the world. (*Applause.*)

The CHAIRMAN spoke of the address as a most able one, and of the author as a Savings Bank actuary entitled to the highest respect for his experience and opinions, a fact which he himself had learned from a long residence near Aberdeen and from opening Branch Banks there, in building which the Aberdonians of the Granite City had shown themselves granite-headed. (*Laughter.*) Nevertheless, while respecting all Mr. Jaffrey's opinions, he himself vindicated Old Age Pensions economically, and as no real source of prejudice to the Banks, which, by education in true Thrift, had made old people able to appreciate both. He believed that, while loyal to individualism, there was a want of co-operant organisation in this country as compared with Germany, Denmark, and other States, a fact which, together with longer and better public education, accounted for very much which we now endured in commercial competition, though, thanks to our coal and iron, and machinery, we had a long start in the productive and distributive industrial race. He was of opinion that the State and the municipalities might well do more things for commerce, education, social service, etc., which they could do better and more cheaply than the individuals could do them for themselves, or which the individuals could not do for themselves at all. (*Hear, hear.*) Many such things were socialistic, and wisely and economically socialistic, as were the Post Office Savings Banks themselves, which were not Socialism, and before condemning many modern developments as such, it would be better if controversialists would begin by defining their terms—if they always could (*Laughter*) ;—and it should also be

remembered that Public Libraries, Trams, etc., now accepted by Mr. Jaffrey, were once opposed on the same grounds as he opposed the Pensions. (*Hear, hear.*) This question of Old Age Pensions was surely no party question, considering that one political party in the State promised the Pensions, and the other party performed the promise. (*Laughter.*) Old Age Pensions were in fact first promised five centuries ago, and it was quite time such Parliamentary pie-crust promises had been fulfilled. (*Laughter.*) But the main point was that Pensions made for the efficiency of the workman, which was the interest of the State ; they gave him peace of mind for his work; they kept him out of the workhouse and off the rates; they gave him hope instead of fear and despair ; and, though but a pittance, they helped, especially with savings, to keep a family together, instead of dispersing it, or drifting into the workhouse, and so were a saving and service to the State. The Banks and Friendly Societies had educated the people, through Thrift, to make the best and the most of Pensions, which thus became supplementary to their own providence, and a blessing without disguise. He believed Pensions would prove a Godsend to old people, and a saving, like the Banks, to the State, and he was sure that both Banks and Pensions were reconcilable with economics and sociology, and that both would continue to minister to the welfare of the nation as a whole, and not of any particular class. This opinion was a result of his long social experience in the north of England, where men said 'Money breeds money,' and also that the odd savings of the poor too often burnt holes in their pockets, which were even less safe than the proverbial old stocking. And, personally, he preferred even the stocking to the Stocks (*Laughter*), into which the poor were invited to re-invest their savings, and perhaps to begin speculations which might lead on to peculations. He rather admired the safer ignorance of the

old woman who, when advised by the actuary to invest in 'Stock,' said she had nowhere to keep and feed the animals. (*Laughter.*)

SAVINGS BANKS AND THE STATE

In requesting Mr. Francis Fullerton, Actuary of the Savings Bank, Hull, to read his paper on 'Savings Banks and the State,' Sir Albert Rollit said, having been President of the Hull Bank, as Mayor of the city, for some years, he knew of its great success, and the deep debt due to Mr. Fullerton, his fellow-citizen, especially in connection with the establishment and utility of Penny, School, and Branch Banks, one of which was far across the Humber at Great Grimsby, and, in this work at Hull, he was proud to have taken his part with his friend Mr. Fullerton, and especially in opening the new Hull Savings Bank in 1885, and to be able to testify to his deserts, which merited the highest recognition. (*Applause.*)

Mr. FULLERTON said: Of all the legislation instituted for the protection and furtherance of the wellbeing of the citizen, none has exceeded the Savings Bank Act of 1863, as regards the benefits accruing from it to the State and individual alike, and nothing has brought so much return to the country, both in national credit and strong citizenship. As in the Education Acts, where the Government built a system of schools on the foundations that had been laid down by voluntary effort during the preceding years, so, in regulating thrift, Parliament at first made use of those old-established and excellent Trustee Savings Banks—voluntarily managed—in order to provide the saving population with that necessary guarantee of security so long demanded. Whatever good there is in thrift—whatever excellence there may be in the system by which that thrift is practised, and whatever benefits that

system has provided both for the individual and the community—and these advantages cannot be gainsaid—they are due primarily to the Trustee Savings Banks of this country. Other agencies are merely the offspring of this parent. The Trustee Savings Banks in Great Britain are—and, in Scotland certainly, in no insignificant proportion—*the pioneers of thrift.* It is to them that we owe the proper regulating of the channels of thrift. The instinct of providence was in the first instance directed by the voluntary philanthropy of those originally connected with our Banks—and whatever merit there may be in subsequent efforts—it should never be forgotten that it was the efforts of the Trustee Savings Banks which first planted the seed that has since fructified in such a universal and extensive harvest, viz.—£250,000,000 sterling. *The community owe a great debt—one which it is impossible to overestimate—to the system of Trustee Savings Banks.*

We have grown in these latter days to view thrift as something perfectly natural—a virtue that is born with us. We have become so accustomed to popular systems for the assistance of the small saver, that we cannot realise any state of existence during which the poor man could find no secure means of investment for his small savings. It seems to us to be mere hoary tradition when we hear of the old stocking-foot, or the loose brick in the chimney corner, or other examples of old-time methods of banking. Yet it is important that we should remember that, after all, the abundance of safe and profitable means for the savings of the people is due—not in any roundabout way, but *directly and certainly*—to the Trustee Savings Banks. It was through these agencies the small saver was rescued from rash investment, from risky speculation, from loss, ruin, and distress. During the half century preceding that important date, 1863, it was the Savings Banks that opened

to the thrifty the means of cultivating a growth of sturdy self-reliance, a quality so well exhibited in the self-respecting workman of the present day.

The good work begun from this date has been carried on unremittingly by the same agency, the Trustee Savings Banks ; and though imitated by other institutions more or less extraneous to them, they have always led the way in all safe and sound developments.

The Trustee Savings Banks need no apology for their existence. They are deeply enshrined in the affections of the people. Their names are household words in nearly every city and town in Britain, but it is often necessary to be reminded of the benefits derived—by both State and people—from the properly protected and organised institutions of thrift which are due in an enormous degree to the Trustee Savings Banks.

A few years ago this would have been superfluous, but to-day we are face to face with a situation that calls for the earnest consideration of all who take any interest in the affairs of the country, and especially of our legislators and statesmen, into whose hands is entrusted the management of the nation's affairs. There is no need to remind the mass of the people of the good work of Savings Banks. The enormous proportions to which, by public use, they have developed is sufficient testimony of the fact of the people's appreciation ; but the legislative enactments of Parliament referring to Savings Banks—excellent in many ways—betrays some lack of this appreciation on the part of the Government from time to time in power. *Surely, if a good work is being done, every encouragement should be offered for the development of that work.* Yet we find in almost every Act of Parliament passed since the establishment of the Post Office Savings Banks, impediments and restraints placed upon the enthusiastic progress of the voluntary

Banks. Proper legislative safeguards have never been objected to by us. On the other hand, we welcome them. Not one Savings Bank in the country but would improve upon the formation of the Inspection Committee or any other enactment that made for the greater security of the people's savings. That is not complained of. What we do refer to is, the official partiality shown to the Post Office Savings Bank, in sharp contrast to the scanty recognition accorded to Trustee Savings Banks, *i.e.* Workmen's Compensation, County Courts Acts, Public Trustee business, Government Insurances. It is necessary at this point to be quite clear. As Trustee Savings Banks we do not attempt to disparage the work of the Post Office Savings Bank. On the contrary, we welcome it, and that of any other agency that builds up the national character. We have nothing to fear from fair competition—as it is termed—from the Post Office Savings Bank *per se*. All institutions that foster habits of thrift are joining with us in fighting the same battle against the forces of waste and disorder in society. We should not desire to be striving one against the other, to acquire for ourselves either undue preference or favouritism. *Our voluntary principle is itself a sufficient guarantee of our disinterestedness. Our enemy is thriftlessness:* and anything that mitigates that evil—whether Temperance Societies, Friendly Societies, Thrift Societies, or other organisations for fostering habits of saving, we recognise as our allies, and we are prepared to render all the help we can in furthering their good work. What is particularly referred to, is no new thing in Savings Bank consultations. It is the predilection shown by the Government for the Post Office Savings Bank to the exclusion of the Trustee Savings Banks. The gravamen of this charge will be readily borne out by all observers of the trend of our legislation.

The work of the Trustee Savings Banks has been of

incalculable benefit to the community in the past, and continues to be so. We were the pioneers of thrift *historically*, and are still the pioneers of thrift *economically and socially*, and we plead to-day—not for any preference to be shown to us, but that there shall be for us in all Parliamentary enactments a full and fair participation in recent and in any further developments of the system of Government Savings Banks operating in this country. We ask for no favours; but in recognition of the good work we have done hitherto, and are still doing, we do ask that anything that encourages the work of the Post Office Savings Bank, or develops its usefulness, shall not be deliberately withheld from us. To describe the Post Office Savings Bank as the favoured child of the State is no mere fiction of the imagination. In direct legislation governing Savings Banks, and Acts of Parliament affecting us indirectly—like the Workmen's Compensation Act, and others—deliberate preference has been shown to the Post Office Savings Bank at the expense of the Trustee Savings Banks. It was never intended by the promoters of the Post Office Savings Bank that this should be so. As far as can be ascertained, their establishment was merely intended to extend the Savings Bank benefits to the more remote places hitherto unserved by a Trustee Savings Bank. We had Mr. Gladstone's word for this at the time.

It is difficult to realise the reason for this discrimination. The systems are not comparable in their adaptability to the needs of the cities and towns. The unavoidable centralisation of the Post Office hinders the work in the large centres. The conduct of the business is unwieldy, owing to its very constitution. The times are changed. Years ago, a man was content to write to a colleague some miles away and wait a week for a reply. Nowadays he must ring him up and obtain his answer in thirty seconds.

The same dispatch is required in modern methods of

saving. *The art of saving may be an old one, but unless adapted to modern usage, it will become a lost art.* It must be kept alive by facile adaptability to the growing business instincts of the community, and the Trustee Savings Banks, at all events as regards large provincial towns, especially in the north, have kept their methods up to the needs of the times. A man may have occasion to need his savings in an hour's time. He saves on the understanding that he can lay his hands on his little capital at once. The Trustee Savings Banks have from the beginning recognised this fact, and have fostered this instinct of saving in the individual. In other words, the Trustee Savings Banks have prevented it from ever being said that *saving* is something *old-fashioned and out of date.* This is only one instance where the systems of the Post Office and Trustee Savings Banks are so different in the facilities for business. The former may be passive behind the protection of the State ; the latter must be aggressive to make up for absence of official recognition. This is not said to detract from the enormous growth of the Post Office Banks, or to suggest that the Post Office authorities have failed in any particular, but to point out that a highly centralised institution is incapable *by its very nature* of meeting the requirements of modern life, with all its stress and hurry. Had the positions been reversed, and the Trustee Savings Banks been slow and unwieldy, while the Post Office Banks were able to show dispatch, there would in that case appear to be some grounds for the official partiality shown. But it is not so, and the thrifty citizens—if the present tendency of legislation is maintained—will be the sufferers, and through them the State. I have mentioned one example only of the superiority of the Trustee Savings Banks—so far as it affects the depositor—and, after all, it is the depositor who must chiefly be considered. There are other instances. While it is well worth the ex-

penditure of a considerable outlay to promote thrift, it is an excellent thing to carry on any good work economically. The cost of carrying on the Post Office Savings Bank is greater than that of the Trustee Savings Banks. This is unavoidable on the part of the Post Office, owing to its centralisation. The average cost per transaction in the typical Trustee Savings Banks works out at an extremely low figure, that of the best managed Banks being below 6d., and some between 4d. and 5d. It is not possible to proportion out the cost of a Post Office transaction—the enormous postage item and the initial cost and upkeep of the buildings, etc., being unrecorded—but it undoubtedly works out at a higher figure; but the rate per cent. of funds representing expenditure for management is greatly in favour of the Trustee system, 5s. 9d. per cent. as against 8s. 5d. per cent. Again, had the positions been reversed, and the higher cost incurred by the Trustee Savings Bank, they would still deserve, for their special facilities, a higher degree of encouragement. How much more so is it the case when they are worked and such facilities provided at less cost? Nor is there any slackening of appreciation on the part of the public in this matter. Where a Trustee Savings Bank is established on up-to-date lines, the people are not slow to show their preference. A wise and prudent discrimination is shown by the thrifty. The law of the land states that in the event of a Savings Bank being closed, the unclaimed deposits shall be transferred *en bloc* to the Post Office Savings Bank, and where the operation of this wholesale automatic transfer on the closing of a Savings Bank, of accounts to the Post Office is excluded, owing to the fact, of late, that there have been no closings of Banks, the transfer of deposits from the Post Office to the Trustee Savings Banks has exceeded it. The flow of business is the other way, for instance—in the year ended 20th November 1909, transfers

showed £16,330, 9s. 5d. to the Post Office, and £77,243, 18s. 3d. from the Post Office to the Trustee Banks.

In the Savings Bank at Hull, during the last ten years, only eight depositors have transferred to the Post Office—the amount being £1129, 0s. 6d. (and even some of these were compulsory), and during the same period three hundred and thirty-seven transferred from the Post Office—the amount being £24,861, 10s. 6d. Thus, though the establishment of Post Office Savings Banks caused a sudden rush of transfers from the Trustee Banks, the tide has not only been stemmed, but now sets strongly in an opposite direction. Any further extinction of Trustee Savings Banks, owing to Parliamentary enactments or other cause, would be a blow to modern thrift. Excellent as the work of the Post Office is in country places, it does not—as the figures I have quoted prove—and cannot meet the needs of the larger towns and cities. Something more workable is required. *The Savings Bank depositor is the best asset a nation can have*, and he has become so by the Trustee Savings Banks encouraging him to invest his savings in *his own* Bank. He knows the management. The Trustees and managers are familiar to him either personally or by repute. He has confidence in their probity and integrity, and he has a feeling of security from personal knowledge, and enjoys a sympathetic treatment that he cannot possibly have from mere officials busied with their multifarious duties, many of which have no connection with Savings Bank business.

The Post Office Savings Banks were established to extend the opportunities of saving to the remoter districts. The only reason for enlisting the Post Office as an agency for banking was the widespread establishment of the Post Office in every parish. Clearly banking is not in itself postal work. The coupling of the various branches of the Post Office work with that of banking can benefit neither. It

simply means that *it is better to have inferior systems of Savings Banks in the country districts than none at all.* But if the present tendency, already referred to, of helping the Post Office at the expense of the Trustee Savings Banks is continued, it will mean that the Trustee Banks, worked for banking only, will have to give place to the Post Office—where the depositor mixes with people engaged in all kinds of other business, or, what is probably worse still, will have to yield to irresponsible commercial institutions of a more or less *risky and speculative nature.* True, the larger Savings Banks continue to more than hold their own. Year by year they show immense increases. But that is in spite of the State regulations, and is due entirely to the discrimination and appreciation displayed by the public. There is no cause for apprehension in the immediate future, but what we desire to indicate is the inevitable result of an unsympathetic attitude of the State towards Trustee Savings Banks, if it be allowed to continue. *Parliamentary legislation in regard to Savings Banks may lead to the road that ends in crippling the work of Trustee Savings Banks.* Whether that time be near or far distant, depends on nothing else than the extent of that legislation. It inevitably means the substitution of the inferior system in place of the better. It is, of course, difficult to establish Trustee Savings Banks in sparsely inhabited parts, but why penalise the larger cities and towns where they can be easily and efficiently maintained, and where they are urgently required? The legislation of Parliament introduces an element of unfair competition between Trustee Savings Banks and the Post Office Savings Bank, in so far as it evinces special favour to the latter. It means that the usefulness of the Trustee Savings Banks is hindered, restricted, and cramped because the Post Office cannot offer the same facilities. This competition on unequal terms should not exist. Each has its own sphere of

activity, and each is promoting the same cause. It must be repeated that the Trustee Savings Banks do not seek any diminution in the value and work of the Post Office Banks. On the other hand, we desire, with all our hearts, a linking up of forces. Why should not a closer working union be recognised between the two, as a first step to ultimate amalgamation ? The Trustee Savings Banks would be prepared to give favourable consideration to any scheme for this end that would neither impair the usefulness and independent nature of the Trustee Banks on the one hand, nor the distinct advantages of the Post Office to the country districts on the other, subject to regard being paid to the interests of the officials of either class of bank, who might run the risk of displacement. *The public cannot afford to lose the Trustee Savings Banks*, and the cities and towns where these institutions exist could, under the suggested union, maintain their Banks without shedding in any degree the facilities for the transaction of business they at present possess. The country districts could still be served by the Post Office system, but there would be a gradual linking up of the two forces, so that the Post Office depositor, in a district served by a Trustee Savings Bank, could use the Trustee Bank. If he chose, he might still maintain his ledger account at London. The Trustee Bank would do the business in exactly the same way as any Post Office would do, or he might 'localise' his account by transferring the ledger account to the local branch, and thus receive the same privileges now enjoyed by a Trustee Savings Bank depositor.

On the other hand, a trustee depositor would be able, if out of town, to conduct his business at any Post Office. He would receive the advantage of having his account recognised in any part of the United Kingdom. The local Post Office would simply remit the business of such a depositor to the Trustee Savings Bank whenever his account happened

to be localised, instead of to West Kensington. *Each large Trustee Savings Bank would thus become a centre of a district*, and would in its turn, of course, be subject to regulations from London.

There would appear to be a wide sphere of usefulness likely to result from some such arrangement, that would make it worth while to adjust the necessary detail.

This does not attempt to submit any cut-and-dried scheme of amalgamation, but some such plan, to my mind, is saner and more beneficial than any process of slow suffocation that might eventually end in the loss of some of our remaining Trustee Banks, and substitute for them a less useful and more costly system. It, at any rate, would *preserve the excellences of both systems*, and it would be a first step to perfecting the sphere of their influence; and what it might develop into eventually, would depend upon the expenditure, or lack of it, shown by the legislature in recognising the wisdom of encouraging thrift *by the best possible systems*. (*Loud applause.*)

The CHAIRMAN.—It was very gratifying to him to have heard so excellent an address from so great an authority as Mr. Fullerton was. (*Applause.*) From the Hon. Mr. Kidd's remarks, he supposed that the union of the States of Australia had prevented overlapping in the matter of Old Age Pensions, and as the unification of the Trustee and the State Banks had been accomplished in Victoria, that suggested the possible solution of the similar problem which we might have to face some day in this country. But, for the present, we might rest more than content with the results of both classes of Banks. (*Applause.*) He thought the people were very much indebted to the Savings Banks, because no State department could give the same facilities as they could, and he hoped and believed that was a firm basis on which they would always be maintained. (*Applause.*)

VOTES OF THANKS

The CHAIRMAN said, as he could not be present at the evening sitting, he desired to acknowledge the very able services of Mr. Cameron, the Secretary of the Savings Banks Inspection Committee, who would take his place. Shrewd, as all Scotsmen were, and most willing to help, he brought to their councils an experience almost unrivalled. (*Applause.*) He also wished to express his and their obligations to Mr. Cargill, the Hon. Secretary of the Conference. (*Applause.*) What had he not done to make all welcome and happy and useful during their stay? They had the best halls at their disposal, they had received hospitalities which could not be exceeded and a welcome which had infused new vigour and encouragement into their work, and they had the benefit of a prearrangement of a mass of detail for their reception and convenience which must have involved on Mr. Cargill an infinitude of laborious work. (*Applause.*) Nothing could exceed their obligation, and they would go away from Edinburgh with only feelings of the deepest gratitude towards the Bank Committee, and especially Mr. Wood, its Chairman, and Mr. Cargill. (*Loud applause.*)

Mr. JOHN HEPPER, Chairman of the Leeds Savings Bank, and a member of the Savings Banks Inspection Committee, moved a vote of thanks to the Chairman. He said he had known Sir Albert as a Chairman for many years. The first time he had met him was at a political meeting where a great deal of firm control was required, and he was the most capable Chairman he had met up to that time. At another meeting, historical knowledge was required, and Sir Albert was well stored with historical facts which lent an interest to the proceedings. At all the meetings at which Sir Albert presided, he had looked on him as an encyclopædia. Wherever

Sir Albert was he had a store of knowledge which was always at their service. They had had that day a sort of running comment, showing that Sir Albert's mind was able to grasp everything, and he was always ready to say something for their advantage. (*Loud applause.*)

Mr. ROBERT CORBET, Actuary Glasgow Savings Bank, seconded the motion. He said that Sir Albert had shown a thorough knowledge of Savings Banks, and had put a good deal of humour into the subject, which had made it very pleasant to listen to.

Mr. LONG, Warrington, supported the motion. He said it was a great many years since he had first met Sir Albert at the meetings of Chambers of Commerce, and no one had conducted the meetings with such tact and good management. It was a pleasure to him to express the feeling that in another important department of our country's work Sir Albert Rollit had exceptional ability. (*Applause.*)

The CHAIRMAN, in reply, said that it had been a great honour to him to act as Chairman of such a gathering. He also felt very thankful for the great hospitality which had been extended to him by Mr. Wood and others during the Congress. (*Loud applause.*)

The Congress then adjourned till the evening.

LUNCHEON TO THE DELEGATES

MR. GEORGE M. WOOD, Chairman of the Edinburgh Savings Bank, and one of the Members of the Savings Banks Inspection Committee, gave a luncheon to the delegates in the Caledonian Railway Station Hotel. Over forty gentlemen were present—Sir Albert K. Rollit, LL.D., D.C.L., D.Litt. ; Mr. W. S. Cameron, Secretary Trustee Savings Banks Inspection Committee ; Mr. T. W. M. Watson, C.A., Government Inspector ; Mr. Stuart Sim, Chief Registrar of Friendly Societies ; Mr. R. Addison Smith, Assistant Registrar of Friendly Societies ; Mr. J. S. Burns, President of the Society of Solicitors before the Supreme Courts ; Mr. James Thin ; Mr. David Dickson, Deputy-Chairman Edinburgh Savings Bank ; Mr. Robert Maule ; Dr. Joseph Stuart, W.S.; Mr. Robert Somerville ; Mr. Robert Cross ; Mr. R. Cockburn Millar, C.A. ; Mr. W. B. Blaikie; Mr. J. B. M'Intosh, S.S.C. ; Mr. H. K. Shiells, C.A. ; Mr. Alex. Cargill, Actuary Edinburgh Savings Bank ; Mr. Jonathan Baxter, Cashier Edinburgh Savings Bank ; Mr. R. W. Armour ; Rev. Dr. Hodgson ; Rev. Henry Parnaby ; Mr. Alex. Darling ; Mr. Robert Corbet, Actuary Glasgow Savings Bank ; Mr. Thomas Jaffrey, Actuary Aberdeen Savings Bank ; Mr. John Hepper, Chairman Leeds Savings Bank ; Mr. John Mallaband, Actuary Sheffield Savings Bank ; Mr. Francis Fullerton, Actuary Hull Savings Bank ; Mr. Arch. Sturrock, Actuary Dundee Savings Bank ; Mr. F. Stanley Tollit, Actuary Newcastle Savings Bank ; Mr. Henry Crane, Actuary Chester Savings Bank ; Mr. George Anderson, Actuary Preston Savings Bank ; Mr. Thos. Hewetson, Actuary Carlisle Savings Bank ; Mr. R. D. Graham ; Mr. Mossman ; Mr. R. A. Robertson, S.S.C. Mr. G. Mure Wood, jun., W.S., and Mr. Douglas Wood, C.A., were croupiers.

After the toast of 'The King' had been pledged,

Mr. Wood said that his object in asking them there that afternoon was that the officials of the Savings Banks might have an opportunity of meeting in a friendly way the representatives of the Inspection Committee, of which he himself was a member. He wished specially to mention the name of Mr. Cargill. (*Applause.*) It was largely due to his initiative that they had had this celebration, and without him it could not, he was afraid, have been arranged. The amount of work he had had in connection with it, the correspondence, and the elaboration of all the details, had involved a demand on his time which called for their cordial acknowledgments and heartfelt thanks. (*Applause.*) They desired cordially to thank Mr. Cargill for his eminent services in connection with this great gathering. He proposed his health, and this was cordially responded to.

(Mr. Cargill had to leave before the luncheon was finished, so that he was not there to reply.)

Mr. J. S. Burns, S.S.C., proposed the toast of their host, Mr. Wood. Though Mr. Wood had not been in so good health lately as his friends could wish for him, he had gone through these Centenary celebrations without turning a hair. After a long, industrious, and successful career, Mr. Wood was now able to give a great deal of his time to the business of the Savings Bank—what to him was a recreation, but what to the thrifty population of Scotland was a great benefit. It was to such men as Mr. Wood that the Savings Banks of the country during the past hundred years owed so much of their success. (*Applause.*) They wished him long life and a good rest after all his exertions on this occasion. (*Applause.*) Mr. Wood in a word expressed the pleasure it gave him to have so many friends of the Savings Banks there, and his thanks for their kindness in drinking his health. Mr. Robert Corbet, Glasgow, proposed the toast of Mr. Wood's two sons, the croupiers, and to this Mr. G. Mure Wood, W.S., replied.

INTERNATIONAL THRIFT CONFERENCE
(Continued)

THE Conference resumed in the United Free Church Assembly Hall at seven o'clock.

Mr. F. FULLERTON, Hull.—I am sorry to state that Sir Albert Kaye Rollit has been called to London, and consequently will not be here to-night. It will be necessary, therefore, to appoint another Chairman in his room, and I have great pleasure in moving that Mr. W. S. Cameron, Secretary of the Trustee Savings Banks Inspection Committee, take the chair in place of Sir Albert Rollit. Mr. Cameron's connection with the Inspection Committee, and his great knowledge of Savings Bank matters, fit him for the position, and his genial disposition will, I feel sure, commend him to every one here. (*Applause.*)

Mr. CAMERON, having taken the chair, said: I am much obliged to you for your kind remarks. I am afraid my qualifications for the Chair are not an exact ratio of proportion to those of our Chairman of this morning, but I can at least keep things going. I have now to call upon Mr. Robert Corbet, Actuary, Savings Bank, Glasgow, the premier institution of the kind in the United Kingdom, and I think that what he does not know about Savings Banks is probably not worth knowing by any one else, so we may look to him for a most interesting paper. (*Applause.*)

AIDS AND HINDRANCES TO THE PROGRESS OF SAVINGS BANKS

Mr. ROBERT CORBET.—We meet here to-day, inspired by the great measure of success that has in the past

attended the efforts of Savings Banks and kindred institutions for the furtherance of saving habits among the people.

Public attention has been so much directed during recent years to those members of the community who, through lack of industry and by improvidence, have brought themselves into a condition of poverty, that, in judging of social conditions, we are apt to overlook or not give sufficient prominence to the pleasing fact that the great mass of the people are living in improved conditions resulting from a widespread exercise of economy. This is the authoritative finding recently given after exhaustive inquiry by the Royal Commission on the Poor Laws. In the words of their Report, 'The working classes of this country would appear to be better off as regards income and expenditure (*i.e.*, cost of living) than they were at the middle of the nineteenth century, and it may be counted to their credit that they have taken advantage of improved conditions to further strengthen their position by a variety of forms of thrift'; and it is also stated in that Report, 'that it is clear that amongst a large and growing section of the working population of this country, habits of thrift have come more and more to be observed.' These statements are amply borne out, as most of you know, by the Reports of the Savings Banks and the Registered Friendly Societies of the United Kingdom.

I may here remark, regarding the relative thrift of various nations, that we cannot base comparisons upon Savings Bank figures alone, as the earnings and cost of living of people in different countries vary in each of them ; also that the limit in the amount of the lodgments taken from depositors in Savings Banks in different countries is not uniform, and that other channels of investment than Savings Banks are more used in one country than in another. We can, however, observe from the returns of the money de-

ROBERT CORBET, Esq.
Joint-Actuary, Glasgow Savings Bank
(*Photo by Lafayette, Glasgow*)

posited in the Savings Banks of various countries which have come before us, that in each of these countries there is a large section of the people with the grit and the manliness to take care in a commendable degree of what they earn. Yet, even in the saving class it holds true what Dr. Johnson observed in 1781 with regard to a company at Sir Joshua Reynolds, 'That there is not one of us who does not think he might be richer if he would make the endeavour.'

There is undoubtedly in the past success of Savings Bank effort for the promotion of thrift sufficient to warrant us in saying that the result is most encouraging, and to inspire us with hope for further progress in beginning the work of another century.

With the view of stimulating inquiry, and affording what I hope may prove helpful assistance, I shall, as far as time permits, draw your attention to what I consider tends to aid or hinder the progress of Savings Banks.

If I confined my remarks to the business methods of Savings Banks, it appears to me I would be missing what is really vital to the whole matter. The slightest reflection makes it obvious that the progress of Savings Banks is bound up with, and dependent on, the forethought and watchful care in spending exercised by people who are in a position to save. That forethought and carefulness are not exercised to the extent they should be is generally recognised. I think I am warranted in pointing out one or two directions where greater caution in spending might be exercised. The trend of spending, ay, of overspending, at the present day is distinctly in the direction of sport and amusement.

No lover of his country but deprecates this tendency. The nation has become great through the industry and prudence of the people. We are not reading the signs of the times aright unless we observe that pleasure, in the form

of sport and amusements of all kinds, distinctly absorbs too much of the thought, the time, and the means of all classes of society.

The *Sportsman* newspaper some time ago gave the attendances at race meetings for the year as 2,840,000, and estimated the amount spent on horse racing at over £7,000,000 annually. Mr. J. M. Hogge, Honorary Secretary of the National Anti-Gambling League, in his book on the *Facts of Gambling*, announced that the amazing sum of £50,000,000 annually was involved in horse racing, sports of all kinds, and gambling.

We should endeavour to instil into the minds of the working classes, who can ill afford to waste their money on gambling, that it never pays to follow the 'sporting tipster.' As proof of this, the advice given by nine of these sporting prophets in the three principal sporting newspapers was taken note of for a season, and in every case, if followed, would have resulted in considerable loss.

More observable than sport, as an indication of the tendency of the times, is the increasing number of places of amusement all over the country—chiefly music halls. I have nothing to say as to the quality of the entertainment provided. The enormous attendances nightly, however, in my opinion, indicate that some moderation in this form of indulgence should be exercised. On the basis of an estimate which I furnished for the Poor Law Commission, regarding theatres and music halls in Glasgow, I find that for the kingdom the result works out for music halls alone at something like 260,000,000 attendances annually, and cost of admission over £7,000,000. A noticeable feature regarding the attendances at music halls is the very large proportion of youths to whom this form of entertainment successfully appeals. As a result of some inquiries, I found it was not uncommon in a large city, where there are a number of music

halls, for youths to spend all their evenings in the winter going the round of the various halls—in many cases the number of attendances being limited only by the lack of means. If this goes on, how can we expect pleasure-loving, thriftless lads to become prudent in after life. In this connection I venture to throw out the hint that employers of labour might pay a slightly higher wage, or give some kind of bonus, to a lad who can produce evidence from his teacher that he is attending evening classes during the week. It seems to me that it would be advisable, if found practicable, that youths, say under eighteen years of age, should not be allowed, at will, to spend most of their spare time in music halls or anywhere else uselessly. The average working lad is certainly not in a position to spend money on any wasteful indulgence, no matter how attractive.

I need not enlarge on what is so well known, that at all times the greatest hindrance to thrifty habits is intemperance. The plea for, at least, moderation is still surely required when the drink bill of this country for last year was something like £155,000,000, of which it is estimated two-thirds, or over £100,000,000, was paid for by the working classes.

Even taking the very limited survey of the possibilities of saving in the directions which I have put before you, there is undoubtedly a large margin for the exercise of economy.

The best influence for good in the formation of the habit of thrift, as of every other virtue, is distinctly in the home. The opportunities for saving on the part of the working classes are very much dependent on the expert economical use the wife makes of her husband's earnings, no matter how much or how little these may be. I think I am not wrong in saying that the progress of Savings Banks is to a large extent the outcome of 'domestic economy'; and educational authorities have taken an enlightened view in

training girls for the duties of life by teaching them cookery, laundry, and needlework.

In considering the question of home life, I know of no greater obstacle at the present day to thrift being practised in the home than improvident marriages, which are fostered to a great extent by the instalment system of house furnishing. It cannot be too strongly impressed on young people that housekeeping is not started under proper financial conditions unless a beginning is made free of debt.

I wish here to pay a well-deserved compliment to a large section of the community who unostentatiously, year in and year out, have been the mainstay of all Savings Bank effort. I refer to the thrifty, well-doing wives of the members of our industrial classes. They have done more by their industry and carefulness, and by the splendid management of their homes, to maintain the sturdy independence of the race, than all outside efforts have accomplished. As a rule, in Scotland at least, almost entirely the control of the household resources is left under the management of these thrifty wives, who well merit the trust reposed in them.

The country has undergone great changes during the past century. Agriculture has been to a large extent abandoned for manufacturing and mercantile pursuits, and, as a consequence, a rapid growth of population has taken place in the towns and cities. As representative examples of this kind of expansion, I have merely to point you to London, where the population in 1816 was 1,100,000, and in 1901, 4,500,000 ; in that period Liverpool increased from 120,000 to 684,000, and Glasgow from 125,000 to 761,000. While wages are generally higher in these large centres of industry and commerce than in rural districts, the temptations to misspend in the cities are certainly much greater. Everywhere, however, the conditions of modern

civilised life have made the work of Savings Banks increasingly important.

The fact that there are twelve millions of Savings Bank depositors in this country is the best evidence I can produce of the effectiveness of Savings Bank effort as a counter attraction to the temptations to overspend.

The conditions essential to the success of Savings Banks are suiting the convenience of the people and giving prominence to the work of the Banks. In itself a Savings Bank is the best reminder to the public of the duty of saving, and thus in cities, where prominence is a great element of success, there should be in operation a Savings Bank, or a branch of it, open at hours convenient for the working classes in the leading thoroughfare of each populous district ; and also outwith the city boundaries in a locality or township, near at hand, where the population is large enough to maintain an efficient Bank office.

The characteristic of Trustee Savings Banks is local superintendence and personal oversight by the trustees and managers, who are leading and well-known gentlemen of standing where a Savings Bank is situated. The marked success of Trustee Savings Banks has been doubtless largely due to the personal influence and enterprise which has at all times been shown by the trustees and managers of these banks.

The Post Office Savings Bank, although it does not give such prominence to the work nor the ready service of the Trustee Savings Banks, has yet been of immense general use in bringing the facilities for saving within reach of the people in every part of the country.

In promoting the business of Savings Banks, everything that gives prominence to the Bank tends to its success. With this in view, it is advisable from time to time to draw attention to the work by means of pamphlets and handbills.

There should at all times be a placard of the Bank in every workroom, and also, as far as possible, a poster put up in each leading thoroughfare in towns and in cities. The inducements to save should surely be kept as prominently before the public as the enticements to spend.

It is somewhat surprising how readily the facilities of the Bank are apt to be forgotten, even by depositors of long standing. This may arise from the fact that very few of the depositors have adopted methodical saving. Evidently the saving that takes place does not result from depositors setting aside regularly part of their earnings for that purpose, the general habit being that only what can be spared after paying accounts is lodged in the Bank. For this reason the lodgments of each depositor in the year are few in number, and range from one to three on an average in different Trustee Savings Banks. In the Post Office Savings Bank a depositor makes, on an average, two lodgments yearly. We may take it as fairly accurate that there are only three per cent. of the accounts showing twelve lodgments and over during the year. I think it important, however, that young people at least should be encouraged to adopt methodical saving.

The Penny Savings Banks have rendered Savings Banks invaluable aid in giving the young their first lessons in banking, and in teaching them to accumulate for future needs money which otherwise might have been frittered away. The Penny Banks are carried on as part of the work of missions and Sabbath schools, and in the day schools. The carrying on of a Penny Bank as part of the educational training of youths has been adopted to a larger extent on the Continent than in this country. The Penny Banks of this country, however, have had marked success—the depositors numbering over one million, and the amount at credit about £350,000.

The Savings Banks also receive aid to their work from the Collecting Banks of the Charity Organisation Societies, from Friendly Societies, and from every sound scheme that tends to strengthen the self-reliance and the forethought of the people.

The larger depositors, however, are only too apt, nowadays, to be induced to invest their money in concerns where the conditions of safety for their funds are awanting. There is surely too great freedom allowed in banking when any individual is allowed to trade under a banking title and offer higher rates of interest than can be given by any usual form of banking, yet issue no balance-sheet and advertise for money to be lodged, repayable not at call, but on lengthened notice. It seems to me that any concern trading under a banking title which exacts notice for repayment of deposits should, in the public interest, be placed under the same or similar supervision as that afforded by the Savings Banks Inspection Committee. Failing that, the statutory obligations in force for the safety of policyholders of Insurance companies should be applied to Banks where money is not paid on demand to depositors.

My subject embraces such a wide field of inquiry, that I have only attempted, so far as time has allowed, to direct your notice to a few of the more prominent points which I think call for special attention.

Mr. T. W. M. Watson, C.A., Glasgow, Inspector of Trustee Savings Banks.—There is one point in Mr. Corbet's paper which I think deserves notice, namely, regarding certain banks which carefully are not named, and I most thoroughly agree with Mr. Corbet that Banks of that nature require most careful looking into. Mr. Corbet says that Banks like that should be put under an Inspection Committee. Well, there are other Banks which I would like to see under our Inspection Committee as well. We in

Scotland, as most of you know, have three classes of Savings Banks. There is, first of all, and in the premier place, the Trustee Savings Bank, which is well managed, and everything possible done for it. Then there is the Post Office Savings Bank, which is an admirable institution, and comes a good second to the other. But in Scotland that Bank is not so much in favour with the public as the Trustee Savings Bank, because it cannot give the facilities which the latter gives. Then there is the third class of Savings Bank, those instituted under the old George III. Statute, and representatives of which I am very pleased to see at our centenary celebrations. It is considerably different from the Trustee Savings Bank, and we in Scotland are the only part of the kingdom which has this class of Savings Bank. The great differences between them is that the National Debt Commissioners take no cognisance of them. They have no reports to give in weekly or annually as we have, but the trustees invest the funds themselves in securities which have often depreciated very much in price; and if there is a run on these Banks, it would be difficult for them to meet their obligations. They invest certainly according to the powers given to Testamentary Trustees, but I would point out that in the Investment Department of our Trustee Savings Bank we are prohibited from lending on anything in connection with land or buildings. Therefore a heritable bond, or the purchase of a ground annual, is without our powers, although such investments are held by these Banks. Not that they are really wrong, but they are not sound investments. Now that the Trustee Savings Bank is so well managed, these Banks should join us and come in under the Inspection Committee. The Committee will be very glad to undertake the supervision of these Banks as well as our own. (*Applause.*)

Mr. W. HERBERT PHILLIPPS, Adelaide, South Australia.—

Coming from the other end of the world, it is very interesting indeed to me to hear of the difficulties and social dangers you have before you, the questions you have to consider, and the suggestions made by such leaders as Mr. Cameron. It is interesting to me, because in the State in which I live we have exactly the same conditions arising, and it is becoming a great matter of concern to us, that so much attention is given to sport and amusement in all directions. We find music halls and places of entertainment multiplying in an astonishing way. When I tell you that in our own comparatively small city it is reported that as much as £500 was taken at the gate at a single football match, you will see how the masses of the people are spending their money. In connection with another institution, it was reported to me by our official that they have always had a good deal of difficulty in some directions in obtaining weekly rents for working people's cottages for a short time after some great race meeting, showing that people are sacrificing the ordinary necessaries of life for this particular sport. I should like to tell you that, with the idea of partly combating this, we have established in our city a School of Mines and Industries. In that building there are almost every evening practical classes, with the object of attracting the young people that they may learn all we think they ought to learn. They even teach cooking to the girls; engineering turning, carpentering to the boys, and all the numerous trades which may help them in after life, and we hope in this way to draw these young people away, as far as possible, from the great love of sport. Referring to the remark made as to the desirability of employers encouraging their servants or employees to undertake some studies for their own benefit, we have in that connection established in our University a Faculty of Commerce, with a very fine course indeed, and the young men

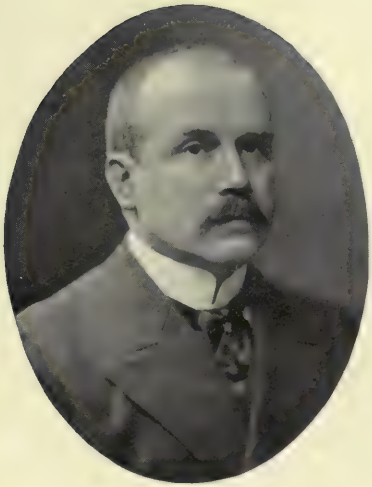
are attending these classes. They are all held in the evening. We are only a small community, but it has been reported to us that as many as fifty young men have followed at one time a course on banking and exchange. Employers are encouraging these young men by telling them in many instances that those who obtain their diploma of commerce will always receive the preference to promotion in their offices, and others have promised that they will refund to them the whole of the fees they have paid for their course directly they obtain their diploma of commerce. In every way, therefore, employers are encouraging young men to give time to serious studies, and improve themselves for future life, rather than give too much attention to sport. It was only due to our State to let you know how we are anticipating the suggestions that have been made in the paper to-night. (*Applause.*)

The CHAIRMAN conveyed the thanks of the Conference to Mr. Corbet.

Monsieur HOUTEVELDE, of the General Savings Bank, Brussels, read in French a paper on

CONVERSION DE DÉPÔTS D'ÉPARGNE EN CARNETS DE RENTES

' La Caisse Générale d'Epargne et de Retraite de Belgique a été instituée par la loi du 16 mars 1865, elle existe donc depuis 45 ans. L'institution fonctionne avec l'aide de l'Etat, sous sa surveillance et avec sa garantie. Elle a cependant une existence propre, c'est-à-dire que son administration est entièrement séparée de celle de l'Etat ; l'intervention de la Banque Nationale, de la Caisse des dépôts et consignations et de certaines administrations publiques a pour but de fournir à la Caisse Générale d'Epargne et de Retraite l'aide de rouages administratifs organisés. Un Conseil Général, un Conseil d'Administration et un Directeur



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DOCTEUR EN DROITS
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DE ROTTERDAM
IER SECRÉTAIRE DE L'ASSOCIATION NÉERLANDAISE
DES CAISSES D'ÉPARGNE PRIVÉES
MEMBRE DU CONSEIL SUPÉRIEUR DE LA CAISSE
D'EPARGNE POSTALE NÉERLANDAISE

P. J. C. TETRODE, D.L.
PRESIDENT, SPAARBANK VOOR DE STAD
AMSTERDAM

(*Photo by Ebner, Amsterdam*)

DR. G. KIRBERGER
AMSTERDAM

(*Photo by Bickhoff, Amsterdam*)

M. P. HOUTEVELDE
DIRECTEUR
DE LA CAISSE GÉNÉRALE D'EPARGNE
ET DE RETRAITE
BRUSSELS

(*Photo by Bauweur, Bruxelles*)

Général gèrent l'institution, sous la surveillance de l'Etat qui dispose des nominations et de la révocation des membres de ce comité de gestion ; le Conseil Général arrête les principes généraux, le Conseil d'Administration en prescrit l'application et le Directeur Général fait exécuter ces prescriptions. Enfin, l'Etat fournit sa garantie, mais en inscrivant dans la loi l'obligation de constituer une réserve destinée à faire face aux pertes éventuelles.

' L'article 25 de la loi précitée stipule ce qui suit : " Les sommes versées sont, à la demande des déposants, converties en fonds publics belges au cours du jour de la bourse de Bruxelles."

' Il avait été admis tout d'abord, en faveur des déposants titulaires d'inscriptions au Grand Livre de la Dette publique belge, qui en laissaient les extraits en dépôt à la Caisse d'Epargne, que celle-ci en toucherait pour eux les arrérages ; le montant en était porté semestriellement au crédit de leur compte et sur leur livret ; ces intérêts devenaient à leur tour productifs d'intérêt comme un versement ordinaire, lorsque le paiement n'en était pas demandé dans la quinzaine. Il arrivait néanmoins que la réalisation de ces inscriptions donnait lieu à des formalités et à des frais, quand les titulaires voulaient rentrer dans leurs fonds. Les dispositions de l'article 34 de la loi du 16 mars 1865 [1] ont fourni le moyen de faire jouir les déposants de plus grandes facilités pour l'acquisition et la réalisation de fonds publics belges ; un arrêté royal en date du 13 février 1875 a autorisé la Caisse d'Epargne à émettre des carnets de rentes pour les inscriptions qu'elle possède sur le Grand Livre de la Dette publique.

[1] Article 34 de la loi du 16 mars 1865 : ' La Caisse peut délivrer des coupures au porteur ou en nom pour les inscriptions qu'elle possède sur le Grand Livre de la Dette publique belge. Les intérêts et coupons de ces titres sont payés par le Trésor public, sur le même pied et de la même manière que ceux des autres rentes belges. Elle peut également émettre des livrets pour ces inscriptions. Les intérêts semestriels dus sur ces livrets sont soumis à toutes les dispositions et jouissent de tous les avantages des versements faits aux Caisses d'Epargne.'

'La manière de procéder est fort simple.

'La Caisse d'Epargne possédant des inscriptions aux Grands Livres des deux catégories de fonds de l'Etat, 2½ % et 3 %, cède aux déposants, par un transfert dans les livres de l'Institution, le montant des achats demandés et elle crée, en leur nom, un carnet de rentes qui est annexé, sous forme de feuillets distincts, à leur livret d'épargne. Sous aucun prétexte le carnet annexé aux livrets ne peut être détaché. Ce carnet remplace pour le titulaire l'extrait d'inscription au Grand Livre ; le montant du bordereau, calculé—au cours de la Bourse de Bruxelles du jour de la réception de la demande à la Caisse, est déduit du solde du compte et du livret du déposant comme un remboursement.

'Quand un ordre de vente est donné par le titulaire d'un carnet de rentes, le transfert s'opère en sens inverse ; la Caisse reprend l'inscription, et le montant du bordereau de réalisation,—calculé au cours de la Bourse, est porté au crédit du compte du déposant et ajouté à son livret. Il peut dès lors disposer du produit, sans que le paiement soit soumis aux délais fixés par la loi pour les remboursements supérieurs à cent francs, si bien entendu le remboursement en est effectué endéans les trente jours à partir de la date où l'opération à été inscrite au livret.

'Le service des arrérages continue comme par le passé ; le montant des intérêts est inscrit au livret que le déposant est tenu de conserver aussi longtemps qu'il reste titulaire d'un carnet de rentes.

'Depuis le 15 mai 1888, les intérêts des fonds publics à inscrire sur carnets de rentes, sont calculés par quinzaines comme pour les dépôts d'épargne.[1]

[1] Les calculs d'intérêts sont établis de la manière suivante : pour un achat, à partir de la dernière échéance jusqu'à la fin de la quinzaine de l'opération et pour la vente, à partir de la dernière échéance jusqu'à la fin de la quinzaine qui précède celle de l'opération. Toutefois les intérêts ne cessent de courir sur le livret qu'au moment où les

' Afin d'intéresser le personnel des guichets à l'extension des opérations sur carnets, il a été décidé de lui allouer une prime de 25 centimes par frs. 1000 sur le montant des capitaux effectifs transférés sur carnets de rentes. Pour l'exercice 1909 le montant de ces primes s'est élevé à frs. 18,297.10.

' Les achats qui élèvent un carnet de rentes au delà d'un capital nominal de frs. 3000 donnent lieu au paiement d'un courtage de un pour mille sur la partie de l'achat qui porte le capital au delà de ce chiffre.

' Les opérations effectuées sur les carnets de rentes qui dépassent le capital de frs. 3000, sont passibles du même courtage sur la partie du transfert qui maintient les carnets au delà de cette limite.

' Il est prélevé une indemnité de gestion sur les arrérages provenant de carnets de rentes, portant inscription d'une rente annuelle de frs. 100 au moins. Cette indemnité est due sur le montant total des rentes inscrites au 1er janvier de chaque exercice ; elle se calcule par francs entiers sur la base de un franc par centaine de francs de rentes inscrites à cette date ; elle se prélève sur le 1er article de crédit supérieur à l'indemnité, acquis au titulaire du chef de son carnet.

' La Caisse peut, après en avoir prévenu le titulaire, transférer sur un carnet unique, les inscriptions qui seraient réparties sur plusieurs carnets ouverts en son nom. Elle peut agir de même, dès qu'elle a la conviction que, pour éluder éventuellement l'application de cette disposition, divers carnets de rentes appartenant à la même personne sont inscrits sur plusieurs noms.

' Il n'est prélevé aucun courtage ou indemnité de gestion sur carnets de rentes ouverts au nom d'une société mutualiste

arrérages prennent cours sur le carnet et réciproquement. En procédant ainsi, les opérations de l'espèce ne constituent qu'un simple transfert sans interruption dans les intérêts.

reconnue ou au nom d'une société coopérative de crédit agricole.

'Le tableau ci-dessous indique les sommes encaissées de ce chef pendant les dix dernières années.

	Courtage.	Indemnité de gestion.	Totaux.
1900	frs. 27,590.29	frs. 31,897	frs. 59,487.29
1901	32,084.77	34,484	66,568.77
1902	48,538.54	37,709	86,247.54
1903	47,606.56	44,845	92,451.56
1904	52,338.02	50,700	103,038.02
1905	58,758.95	56,666	115,424.95
1906	65,658.27	62,983	128,641.27
1907	69,265.56	69,601	138,866.56
1908	59,390.88	78,812	138,202.88
1909	63,383.57	85,906	149,289.57

'Les dépôts qui sont effectués par les chefs d'entreprise par application de l'article 16 de la loi du 24 décembre 1903 relative aux accidents du travail, sont soumis aux règles établies pour le service des carnets de rentes annexés aux livrets d'épargne.

'Les intéressés versent la somme nécessaire pour permettre l'acquisition, au cours de la Bourse du jour du versement, du capital nominal qu'ils désirent acquérir ; cette somme est augmentée : (*a*) du montant des intérêts courus depuis la dernière échéance jusqu'au jour du versement ; (*b*) de la somme de fr. 1 pour permettre la création d'un livret d'épargne nécessaire pour l'émission du carnet de rentes.

'Les dépôts effectués en exécution de cet arrêté (arrêté du Conseil Général du 21 juin 1906) ne sont pas soumis à l'indemnité de gestion ; ils sont soumis au paiement d'un courtage de un par mille, pour toute opération d'acquisition ou de réalisation, quel que soit le montant du carnet de rentes. Ces dépôts ne peuvent être effectués qu'au siège principal de la Caisse Générale d'Epargne et de Retraite à Bruxelles.

' Aux termes des instructions concernant les carnets de rentes, les titulaires pouvaient en demander la réalisation en faisant reprendre par la Caisse, au cours du jour, le montant des capitaux inscrits à leur carnet. Ce droit, sans limites, reconnu aux titulaires pouvait donner lieu à certains inconvénients ; il a, en conséquence, été modifié en 1886 par les dispositions suivantes adoptées par le Conseil Général et approuvées par le Ministre des Finances ; " Le Conseil d'Administration peut, dans les limites des convenances de la Caisse d'Epargne et à la demande des déposants, autoriser la reprise en tout ou en partie des titres représentés par les inscriptions figurant sur leur carnet de rentes ou faire vendre ces titres pour le compte des titulaires. *La Caisse d'Epargne a toujours la faculté de délivrer, aux titulaires de carnets, des obligations au porteur de la catégorie des fonds belges dont la réalisation est demandée, soit en partie, soit pour la totalité de l'inscription existante.*"

' Lorsque la Caisse juge devoir vendre en Bourse, le courtage ordinaire est prélevé sur la totalité de la vente, quel qu'en soit le montant.

' L'autorisation dont il est question ci-dessus, c'est à dire la réalisation des fonds publies, pourrait ne pas être accordée :

1° dans le cas où les fonds de l'Etat subiraient une dépréciation notable causée par une crise économique ou politique et qu'un grand nombre de titulaires de carnets, craignant perdre une partie de leur capital, demanderaient la réalisation de leurs fonds publics ainsi que le remboursement du produit de cette réalisation. S'il en était ainsi, le capital à rembourser pourrait être d'une importance excessive.

' 2° si le cours de la rente belge augmentait dans des proportions exagérées.

' Dans les deux cas qui précèdent, la Caisse d'Epargne

pourrait user de la faculté qui lui est réservée de remettre les titres au porteur ou de les faire vendre en Bourse.

' Il a été fait application de cette mesure, du 9 novembre 1893 au 26 mai 1894, le cours de la rente belge 2½ % avait atteint à cette première date frs. 98 % et celui de la rente 3 %, frs. 102 %.

' Le montant total des réalisations effectuées en Bourse s'est élevé à frs. 2,200,000.

' Les capitaux d'épargne inscrits *tant sur livrets* que *sur carnets de rentes* (valeur nominale) s'élevaient au 31 décembre 1909 à environ frs. 1,421,527,000 ou environ 56,800,000 £ sterling.

' Dans cette somme les carnets de rentes sont compris pour frs. 501,382,900, soit 35, 27 % du montant total des capitaux d'épargne (frs. 920,000,000 inscrits sur livrets d'épargne).

' En cas de crise, la Caisse d'Epargne ne serait donc pas tenue de rembourser en espèces le montant des carnets de rentes, puisqu'elle a la faculté de délivrer aux titulaires de carnets des obligations au porteur de la catégorie des fonds belges dont la réalisation est demandée.

' Le carnet de rente a, pour le déposant, de nombreux avantages : aucun courtage n'est porté en compte pour les opérations qui maintiennent le carnet à une valeur nominale ne dépassant pas frs. 3000. Indépendamment de l'avantage qui résulte, pour le déposant, de la conservation des titres par l'Administration, ce qui les met à l'abri du vol, il y a la facilité résultant de la dispense d'encaisser soi-même les coupons ; de plus, les arrérages portés au livret à chaque échéance, sont immédiatement productifs d'intérêts.

' Les arrérages sont payables à vue quel qu'en soit le montant pendant tout le semestre qui suit l'échéance ; après ce délai, ils sont soumis aux règles prescrites pour le remboursement des dépôts ordinaires. Les titulaires peuvent

également échanger leur carnet de rentes, sans frais, contre des titres au porteur ou des inscriptions nominatives au Grand Livre de la Dette publique.

'En 1865, il existait quatre catégories de fonds d'Etat, 2½, 3, 4 et 4½ %.

'La rente 4½ a été convertie en 4 % en 1879;

'Le 4 % a été converti en 3½ % en 1887;

'Et le 3½ % a été converti en 3 % en 1895.

'Il reste donc encore actuellement deux catégories de fonds d'Etat :

'Le 2½ % échéance le 1er janvier et le 1er juillet;

'Le 3 % 1e série échéance le 1er janvier et le 1er juillet;

'Le 3 % 2e série échéance le 1er mai et le 1er novembre;

'Le 3 % 3e série échéance le 1er février et le 1er août.

'Le cours de la rente belge 3 % qui était de frs. 73.50 lors de l'émission des carnets de rentes, c'est-à-dire en 1875, a progressé jusqu'en 1894 ; dans le courant de cette année, il avait atteint frs. 103.25.

'Par contre, de 1895 à 1900, le mouvement s'est produit en sens inverse et le cours le plus bas pour cette dernière année était de frs. 91.50.

'Depuis 1901, ce cours s'est relevé à frs. 99.80 pour retomber ensuite en 1908 à frs. 92.75. (Voir tableau I.)

'Certes de telles variations peuvent causer un préjudice aux titulaires s'ils transformaient en carnet de rentes la partie de leurs dépôts qu'ils croient devoir employer dans un délai assez court. Il n'en est plus nécessairement ainsi si le titulaire a fait réellement une opération de placement à terme assez long.

'Il peut alors laisser passer les circonstances qui ont amené une dépréciation momentanée du cours de la rente et ne demander la réalisation de son carnet qu'au moment où il pourrait retrouver son cours d'achat.

'Si l'on consulte le tableau II. ci-après, indiquant le

nombre d'opérations, le nombre de carnets existants et la valeur nominale des capitaux qui y correspondent, on constate une progression énorme et constante malgré les variations des cours.

' Il ne semble donc pas que la variation des cours de la Dette publique soit une objection à la création des carnets de rentes.

' L'extension très appréciable prise par les opérations sur carnets de rentes ne paraît pas plus avoir été contrariée par la disposition de l'arrêté du Conseil Général, en date du 18 octobre 1894, établissant une taxe de gestion.

' Les décisions du Conseil Général relatives au taux de l'intérêt à bonifier aux dépôts d'épargne ont été suivies, dès leur publication et même avant leur mise en vigueur, d'un ralentissement plus ou moins accentué dans la marche progressive des montants des sommes déposées sur livrets. *L'examen du tableau II. montre au contraire une augmentation marquée des dépôts sur carnets de rentes.*

' Le développement des carnets de rentes a été l'objet des préoccupations de l'Administration de la Caisse d'Epargne, soucieuse de propager un mode d'utilisation d'épargnes formées qui exige déjà de la part des intéressés une certaine participation effective. La pratique de la transformation des capitaux épargnés en fonds de l'Etat belge s'est développée jusque dans les plus petits bureaux ouverts au service de la Caisse Générale.

' Au 31 décembre 1909, il existait 124,348 carnets de rentes (répartis comme il est indiqué au tableau III.) pour un capital nominal de frs. 501,382,900. Ce capital représente 14·01 % de la totalité de la Dette belge (3,578,083,788.96 francs) soit environ le septième.' (*Loud applause.*)

Monsieur Houtevelde was cordially thanked for his valuable paper.

THE INTERNAL MANAGEMENT AND ARRANGEMENT OF SAVINGS BANKS

The CHAIRMAN.—I have now to call upon Mr. T. W. M. Watson, C.A., Glasgow, Inspector, who is one of the most eminent Chartered Accountants in Glasgow and the West of Scotland. Coincident with their honourable profession, he fills very ably the office of Inspector of Trustee Savings Banks. His paper is entitled 'The Internal Management and Arrangement of Savings Banks.'

Mr. WATSON said: After the flattering introduction Mr. Cameron has given me, I feel almost ashamed to read the paper I had prepared as an opening on the discussion of the best methods for the internal management and arrangement of our Savings Banks.

Introductory.—I feel it somewhat presumptuous on my part to address an assembly who are all as well qualified in Savings Banks' matters as myself, on such a subject as I have chosen for my address, but I think it well at this, the Centenary of Savings Banks, to discuss what are the best arrangements for our Banks.

Savings Banks, from a very small beginning a hundred years ago, have now grown into a very large institution, in fact, one of the largest and most important in the country. The original object, that of safeguarding and increasing the savings of the industrial classes (as described in the first Act of 1817), is still the keynote of Savings Banks of to-day, and all Acts that have been passed have been to make these provisions more secure.

Externals.—I should like to say one word about the external of Savings Banks before entering upon my subject proper. In the old days it used to be thought that the best place for a Savings Bank was to be hidden away in a corner, but I am glad that the old idea of secrecy, and being ashamed

to be known to have an account in the Savings Bank, is now passing away. Savings Banks should, I am strongly of opinion, take a leaf from the public-houses, and be situated in prominent positions, having attractive buildings which will command attention. I cannot urge too strongly the importance of keeping the Savings Bank well before the public, advertising and doing everything possible to attract money. We have had experience in the past of how the amount at the credit of depositors has increased through Banks giving more ample opportunities, and I believe that the more often a Bank is open for business, the better are its chances of success. I would strongly urge that Banks of any importance should be open daily, and, at any rate, one evening in the week.

We of the Savings Banks are under a debt of gratitude to the Commercial Banks, more especially the National and Clydesdale, for allowing Savings Banks to be conducted in their branches; but while this is good for a small Bank, it should not be lost sight of that the Bank should have its own premises, and I know of several Banks which, upon transferring to an office of their own, have thereby increased their deposits largely.

Internal Arrangements.—Turning now to internal arrangements, in fitting up a Bank the two chief points to be considered are—(1) facility of working, and (2) accommodation for the depositors. I place facility of working first, because I believe that it is of the utmost importance to have plenty of room, so that the staff can do their work properly, and not be constantly tripping over each other. The best arrangement is, I believe, a straight counter with the teller's box at one end, and the ledgers and files of declarations on desks behind. A convex counter might also be used, where the work is done on the inside of the circle, but certainly not the reverse. The counter itself should be a substantial

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(Photo by J. & R. Annan & Sons, Glasgow)

structure, but should not dominate the office, and the whole of the fittings should be such as to give an air of prosperity to the Bank.

The accommodation provided for the depositors should also be such as to allow of any reasonable amount of business to be transacted without crowding and crushing. The old idea of one depositor appearing before officials at a time in front of a box, as if it were a pawnbroking establishment, is surely now exploded; and the Savings Bank can conduct its business openly the same as any other Commercial Bank. Consequently a reasonable concourse is necessary, and the different parts of the transaction distributed so that there is no congestion at one particular part.

Management.—Turning now to the management of Savings Banks, it is quite possible that what I say may seem obvious to the great majority here, but I desire to bring up and discuss what, from an inspection point of view, are the more important points to be observed.

Declarations.—Taken in order from the commencement of an account, the first requirement to be met with is that of declaration. I would be sorry to say how often these are taken in a very perfunctory manner, as if they were of no value. In my opinion the very reverse is the case, and a depositor should have it clearly explained to him what he is asked to sign. I know of several cases where, after a considerable time has elapsed, the depositor has come back to the Bank and said, 'Oh! I did not understand this, I already have an account in the Post Office.' After the forms of declaration have been signed by the depositors, these should be carefully preserved and filed in such a way as to be always ready for reference, not tied into bundles and stored out of sight. The great importance of the signature to the declaration is that it forms the specimen signature, such as is required by all Banks, and receipts should be

compared with it where there is the slightest doubt. When properly taken, they are a protection to the actuary and officials in all matters.

Cash Books.—The next point is the cash books for recording transactions with the depositors. These—as is laid down in the 1863 Act—should be in duplicate, and proper parties should be detailed to keep them, one of whom, of course, should be the actuary or teller. They should be balanced and compared regularly at the end of each day—I wonder how often this is done! The duplicate record is not, I maintain, sufficiently preserved by one party entering in the cash book and the other in the ledger.

General Cash Book.—If the duplicate cash records are simply kept for the transactions with the depositors, it is necessary for proper bookkeeping to have another cash book in which to enter Bank transactions, transactions with the commissioners, payment of expenses, and all other matter, with the addition of the totals of the dealings with depositors, but by a change in method the two cash books can be made to properly contain all transactions and results necessary. Thus, both cash books should be ruled with double columns on the debit or receipt side, and three on the credit or payment, the inner of which is for current interest paid. The inner column on debit side of both is for receipts from depositors, and the middle column on credit side for payments to them. Both these should be added and extended daily to the other columns in both cash books, as well as added throughout the year, to give gross totals. Now comes the difference between the two books : in the outer columns of the one kept by the actuary should be entered Bank transactions, and all other receipts and payments, and these columns should be balanced daily. In the duplicate or clerk's cash book none of these entries appear, but the total daily transactions are added to bring out the necessary figures for the

weekly returns. The entries should be made in the depositor's ledger at the time the transaction takes place, or at latest the next day, and at the same time the interest entries should be made. I strongly advocate comparison of pass-books on all transactions, not only on repayments.

Receipts.—It seems to me almost superfluous to talk about the necessity of taking receipts for repayments. Nearly all Banks do this in one form or another, but there are still some who consider that the presentation of the depositor's pass-book is sufficient warrant to pay whoever presents it any sum which may be in the book. This, I think, shows a slackness in business and a failure to appreciate the responsibility which rests upon the actuary and the officials of the Bank. Receipts should always be taken in the same way that no Bank will pay money without a properly drawn cheque, and when a depositor does not call himself, an order should be obtained. The initialing of the pass-book by the depositor—as is sometimes done—is hardly a sufficient voucher, as this passes out of the control of the Bank.

Limits.—I am very glad to observe in nearly all the Banks which I have visited, that the limits of deposits, both annual and total, are adhered to. These limits may be considered low for present-day operations. The present limits were fixed in 1891, and possibly some move might now be made to have them increased. The limits, however, exist, and it is the duty of the Savings Bank officials to adhere to them.

Index.—It has been found in practice that one of the most useful of the subsidiary books is the Index of Depositors, which enables the immediate discovery of a depositor's account, even in the largest Banks, should the pass-book be lost, and at once discloses if a party has ever had an account should he desire to re-open. It is also a

preventative to double accounts. This book should contain, in alphabetical order, the full names, designations, and addresses, with any change of address which may be notified to the Bank. If this book is properly so kept, it is sufficient to have simply the name in the ledger account.

Nominations.—The matter of nominations is a subject which is very little dealt with. These are important documents, and if a depositor desires to have a nomination, he is legally entitled to get it, and it is no use to say the Bank does not take in such. The nomination in form should be very simple, simply authorising the payment upon death of a certain sum or sums to one or more parties up to £100. To withdraw a nomination, it is necessary that intimation shall be given in writing by the depositor to the Bank. It will consequently be seen that a nomination stands before any will.

Transfers.—This brings me to the subject of transfers, about which, in conclusion, I should like to say a few words. Transfers may be divided into two branches—(1) transfers from one account to another in the same Savings Bank. These are limited—as you all know—to the amount of the annual deposit, except in the case of deceaseds' accounts. For this class of transfer I would simply like to draw attention to the fact that the interest charged on the account closed should be the same as that given on the amount transferred to the recipient's account. (2) Regarding transfers from one Bank to another through the National Debt Commissioners, there is a point about which all Savings Banks should agree, viz., that the month's interest which the depositor loses should be divided between the Bank from which the account is transferred and the Bank at which the new account is opened, otherwise the depositor invariably loses one month's interest, and in some cases two. The effect of this is, that on a transfer of £50 there is

W. B. MALCOLM, Esq.
Joint-Actuary, Glasgow Savings Bank

(*Photo by Langfier, Glasgow*)

a charge of 2s.; but if it is remitted by draft the cost should be only 6d., while it is given out that transfers are effected without cost to the depositors. I would suggest a Treasury regulation on this point.

These, gentlemen, are some of the points which strike me as the most important in the management and arrangement of Savings Banks; and I think it well, at a meeting such as this, that this subject should be discussed, and the views of those who are in charge of Banks obtained, so that some uniformity of action may exist in the Savings Bank world. It is very gratifying to note the steady increase in prosperity of Savings Banks, and I think I may safely say that there is no institution in the country better managed, and whose officials are more assiduous in attention to their duties, than those connected with our Savings Banks. We are now firmly established, and I believe there is a bright future before us, and that the next hundred years will see Savings Banks in an even more prosperous condition than the past. (*Loud applause.*)

The CHAIRMAN.—I expect there will be some observations on this interesting paper, and will be very pleased to hear what members of the Conference, who know what they talk about, have to say on the subject.

Mr. JOHN MALLABAND, Actuary, Savings Bank, Sheffield. —I had hoped that in connection with this paper Mr. Watson would have gone a little further and tackled the subject of the training of the staff of a Savings Bank. (*Hear, hear.*) In connection with the internal management of Savings Banks, I venture to say that there are few things of more importance than the training of the staff. This is a matter which has been very generally taken up by the Commercial Banks, and in recent years they have made rapid strides in the development of a very satisfactory system of training through the various institutes of Bankers. The English

institute has a membership of over 7000, and by means of lectures, examinations, and their magazine, is doing an excellent work in this direction. Looking over the syllabus and the examination papers of the institute, one cannot but recognise the great advantage which must accrue to the Bank clerks of the present day from this 'Continuation School' course of study in those subjects which most affect their business career—a course which comprises preliminary and final examinations in political economy, commercial law, book-keeping, commercial arithmetic, practical banking, English composition, and banking correspondence, and ensures a good working knowledge of each subject to those who pass. The members of our staffs would be all the better for a similar training, and I venture to urge this upon the serious consideration of this Conference. Finding the membership of the institute was open to Savings Banks' clerks, I have, for the last six years, followed the practice in appointing junior clerks of making it a condition that they should take up this course of study. A bonus is given on passing the preliminary, and again at the final, and I am more than satisfied with the results. A clerk cannot pass through this course without acquiring a mental training and equipment which is of inestimable value to him, and enables him to bring an intelligent interest to his work. There are concomitant advantages which I scarcely need to point out, in the spirit of emulation which is created in the staff, the definite aim and goal given to young men at a time when it is greatly to be desired, and the formation of character which goes along with all upward striving. In the rapid growth of the Special Investment business of Savings Banks, we have an additional argument for this more technical training, and indeed I am of opinion that it is becoming a necessity if that side of our business is to be efficiently conducted. I see in this direction of staff training,

not only increased efficiency for the work we have now to do, but also some guarantee of fitness for taking up other developments of popular banking which must come in the near future, and a raising of the position and status of Savings Banks in the business life of the nation. (*Applause.*)

Mr. GEORGE GRAY, Actuary, Montrose.—I have listened with much pleasure to Mr. Watson's address this evening. He spoke of the benefit to be derived from an index of depositors, which is very proper indeed, but he might have gone further and recommended each letter to be vowelled Ba, Be, Bi, Bo, Bu, etc. As regards depositors' names, designations, and addresses, he suggested that these should be put in the index. I think it would be better to have them in the ledger and in the pass-book, for if a pass-book were lost it could be restored easily to its owner. Mr. Fullerton, Hull, in his paper this morning emphasised the desirability of having some scheme of interchanging Post Office Savings Bank books and Trustee Savings Bank books. It would be far more desirable to have an interchange between two Trustee Banks in different towns.

Mr. DREAN, Belfast Savings Bank.—I have had the greatest possible pleasure in Mr. Watson's paper. Among one or two little matters, he referred to the interest on transfers from one Savings Bank to another. It was my privilege to call recently at Glasgow Savings Bank to see an old friend, and I mentioned this very matter, and he thought we should take up this question of loss by depositors of one month's interest on transfer. That loss should not fall on the depositor. My suggestion was that the Bank to which the transfer is made, the Bank which receives the new depositor, should, if possible, give the whole month's interest to the depositor, the Bank losing the depositor paying to the 20th of the previous month, the Bank receiving getting the benefit, and the depositor getting the full amount. Another

matter is the correction of addresses. The law compels us to compare a depositor's pass-book on each repayment with the ledger. We have to verify the address. If we had to turn up another book and find the address of the depositor, it would be additional trouble. The best place for the address is below the name in the ledger. Our system is not to take the declarations folded up or put away, but in the books with signature, thereby having them ready for reference at any time. I should like to thank Mr. Watson for his most interesting paper, and to say that we in Belfast acknowledge with great gratitude the help we have received from Glasgow Savings Bank in the past. I came years ago to see how things were done in Glasgow. We have tried to follow Glasgow in our small way. Now the result is that the Belfast Savings Bank stands in Ireland in the same position as Glasgow does in Scotland. (*Applause.*)

Mr. CRANE, Chester.—With reference to this question of interest, I am very pleased to say we are adopting the suggestion Mr. Drean has made, and if we have a transfer from another Bank we allow a full month's interest. There has been a great deal of detail discussed with reference to Mr. Watson's paper, but there are two matters I would specially refer to. I support strongly the suggestion Mr. Mallaband made with reference to the staff. At Chester, with a small staff, I find it essential that the staff should be as efficient as possible, because they carry out practically all the duties. As a chartered accountant, I have tried to give all the staff their articles. That has been a great incentive, and they are taking advantage of it. With reference to the difficulties the Banks have as to limits—before we had the Special Investment Department it was terrible. We had a way of getting over it. The alternative was to get customers to buy consols, which we bought at 104, and sold out at 102. It was absolutely the bane of the

banker's life to ask customers to buy consols; but that is all done away with now. There never need be now any question of limit of deposit, because if Banks have a Special Investment Department, it is done away with at once, and if Banks do their duty it will never be necessary to ask a customer to buy stock of any description. The money earned by the working man is being saved by their splendid housewives, and we should help them as much as we can. The limit of a Bank is £200,000 for special investments, so every Bank with that capital should take advantage of the Act which enables them to have a Special Investment Department. A Bank, through failing to introduce a Special Investment Department, causes customers to buy investments and risk fluctuation, and thus take a serious responsibility upon themselves. If you belong to a small Bank, you have now the privilege of amalgamation. At Chester we have had four amalgamations in the last three years. In less than three years we have gone up £20,000. I think that very serious question of limit can be done away with by actuaries and trustees and managers recognising immediately the responsibilities attaching to them of taking advantage of the sections which the Act of Parliament allows them. (*Applause.*)

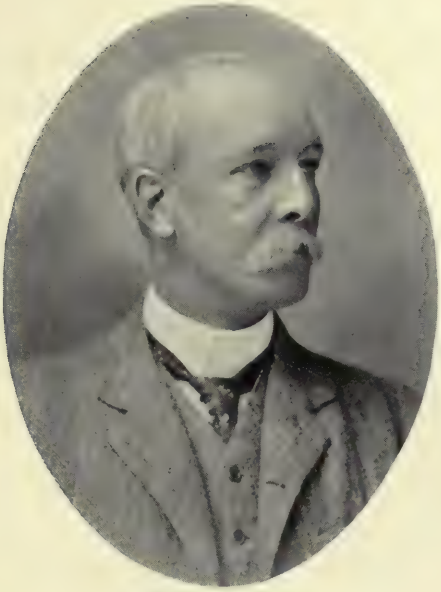
Mr. MUNRO, Glasgow Savings Bank.—I should think this Conference will regard this as one of the most interesting papers we have had to-day, judging from the amount of discussion that has taken place. At first the subject might seem much less attractive than many brought before us to-day, but it deals with practical matters, and nothing is more important than the question of internal book-keeping. No doubt a simple and revised system of book-keeping has a considerable amount of influence upon the character of the Bank in the eyes of the auditors; whereas if you have a slovenly system it will lead to error,

and unmistakably the error will come under notice and ruffle the customer. We would remain here the whole evening if we opened up the whole of the subjects Mr. Watson has touched upon, but I wish at least to say a word with regard to Mr. Drean's kind remarks in regard to Glasgow. Imitation is the sincerest form of flattery. He says that since he followed the internal methods of Glasgow, the Belfast Bank has increased very satisfactorily. I am glad to learn that, and thank him for his acknowledgment. Then Mr. Crane made reference to the improvement of the staff. There can be no doubt that the training of the staff is one of the most important duties devolving on the authorities of the Bank, because the improvement of the staff impresses the particular character of the Bank upon the community you serve. If you have a staff dealing with customers in a severe official manner, you deter many from visiting the Bank. (*Applause.*)

Mr. ARCHIBALD STURROCK, Dundee.—With reference to the question of entering in the ledger the occupation and address of depositors, I would ask the Chairman if we are not bound to do that by Act of Parliament?

The CHAIRMAN.—You are bound to record it in one or other of the books of the Bank, but not necessarily in the ledger.

Mr. STURROCK.—Mr. Watson refers to Banks being careful about taking declarations, and about depositors not discovering what they were signing till after they had read the declaration in several books. Well, that is very easily managed. We do it at Dundee in a way that makes it very simple for a depositor. We ask them before they sign the declaration, if they have a bank-book in any Bank, if they belong to the Post Office Bank, or if they have a book already in our Bank. In doing that we are ahead of the Post Office, who never ask their depositors whether they have any account. In regard to nominations, the depositors find out



R. B. DON, Esq., J.P.
Chairman
Dundee Savings Bank

(Photo by R. K. Durrant & Son, Torquay)

ARCHIBALD STURROCK, Esq.
Actuary
Dundee Savings Bank

(Photo by Valentine & Co., Dundee)

from the reports and pass-books that they can make these nominations, but one point that was not mentioned as regards nominations is that the Banks must be careful in giving a depositor a receipt for the nominations. That is carefully attended to in Dundee. I am pleased to acknowledge that we owe a great deal to Glasgow. Many of us have got most valuable hints both from Glasgow and Edinburgh. As regards Mr. Crane's remarks about the Investment Department, the point some of us must look to is as to the amount that can be placed in the Investment Department, because it is awkward for the actuary to suggest to depositors that they must put their money in Consols or Local Loans stock. Depreciation is a very serious matter, but many of our depositors express willingness to run the risk, as they want extra interest. They understand that buying at 82 means getting rather more than 2½ per cent. But the question mentioned by Mr. Crane is that in some cases at least we find that our depositors in course of time reach the limit also in the Investment Department. We consider when they come to that point it is time they left us and invested some of their money for the good of the country. We are very proud we have got people to save as much money as enables them to do so. (*Applause.*)

The CHAIRMAN.—As this discussion has been so useful and interesting, the Conference might desire to hear remarks by an actuary of a Savings Bank on limits of deposit—I mean a Savings Bank either with or without a Special Investment Department. I see present the actuary of a Savings Bank in the United Kingdom, and if he favours us with remarks, they will be most useful.

Mr. GEORGE BANNER-NEWTON, Actuary, Liverpool Savings Banks.—I presume, Mr. Chairman, that you are referring to me. I am sorry I cannot raise my voice ; I am not allowed by my doctor to speak in public at all, as

I am just recovering from a very serious illness. In our Savings Bank we have had a Supplementary Investment Department—I fancy as long as any Bank in this kingdom. For many years this money was invested with the Corporation of Liverpool. The borrowings were converted into stock, and since then we have acted for the purchase of this stock, and buy it for every one who wishes it. (*Applause.*)

The CHAIRMAN.—On behalf of the Conference, I thank Mr. Banner-Newton for rising to the occasion as he has done, and giving us these remarks.

Mr. T. W. M. WATSON.—It is rather difficult to reply in full to all the points, but I agree with Mr. Mallaband that my paper was not full. I was told on no account to exceed twenty minutes, and in that time it is impossible to take up all points referring to Savings Banks, and I had to choose what I thought were the more important matters. I agree that the training of clerks is most important, and also getting suitable clerks into the Bank. I go further, and say there are some men who get into our Banks who are only suitable for clerks, and that while promotion by seniority is good as far as it can be adopted with advantage, there is a limit to it, and promotion by brain power and ability for work, and also appearance and manner with the depositors, must count for more than merely length of time. I recommend actuaries to look over their staff, and see who are the best young men to succeed them, and train them up to succeed them, giving them all the advantages possible, so that when the time comes to retire there may be a suitable successor to carry on the old traditions of the Bank. With regard to the Special Investment Department, I most cordially agree with what has been said. It is the one safeguard for the extension of depositors' business. I agree with Mr. Crane of Chester, that every Bank should have this, and that to enable a Bank to get this Special Investment Department, and the ad-

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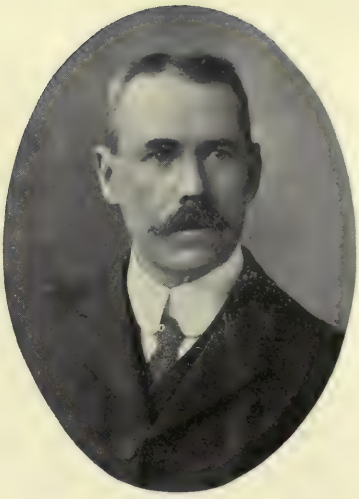
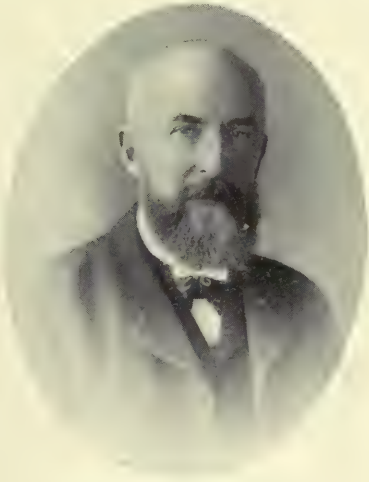
Actuary
Perth Savings Bank
(*Photo by W. B. Mercer, Perth*)



WM. A. BARCLAY, Jun., Esq.
Secretary
Perth Savings Bank

T. BANNER NEWTON, Esq.
Joint-Actuary
Liverpool Savings Bank
(*Photo by Medrington, Liverpool*)



GEORGE B. NEWTON, Esq.
Joint-Actuary
Liverpool Savings Bank
(*Photo by Robinson & Thompson, Liverpool*)

vantages of it, that amalgamation is good, not the other way about. But I would point out with regard to the Special Investment Department, that there is a very considerable amount of special training required by an actuary. As you know, the investments in this department are not made through the National Debt Commissioners in the easy way in which it is made in the ordinary department. The actuary and the trustees and managers are responsible for investing the money, and I would strongly urge that the investments should be spread over a considerable number of stocks or local loan securities, and that also a considerable proportion should be practically at call, so that if there is a run upon a Bank these securities can be easily realised. Mr. Gray, of Montrose, has fallen rather foul of me with regard to the index. I would ask Mr. Gray one question in return. John Smith is a fairly common name, and if a man came into his Bank and said, 'My name is John Smith; I once had an account with you,' how is Mr. Gray going to find out within half an hour or three-quarters of an hour, unless the address and designation are in the index? That is where it comes in. You turn up the name, and you have the address and everything before you, and you can tell everything in half a minute, whereas by the ledger method you would require to look up forty or fifty accounts in different ledgers. I strongly urge that full addresses should be in the index, but that does not prevent it being in the ledger also, if desired. With regard to our friend Mr. Banner-Newton, Liverpool, who makes a point of buying stocks for his depositors reaching the limit, instead of increasing his Special Investment Department, that is what I think Edinburgh did until a few years ago, when they found out their mistake, and now they are working their Investments Department for all it is worth, and finding it of very great advantage to the Bank as well as to

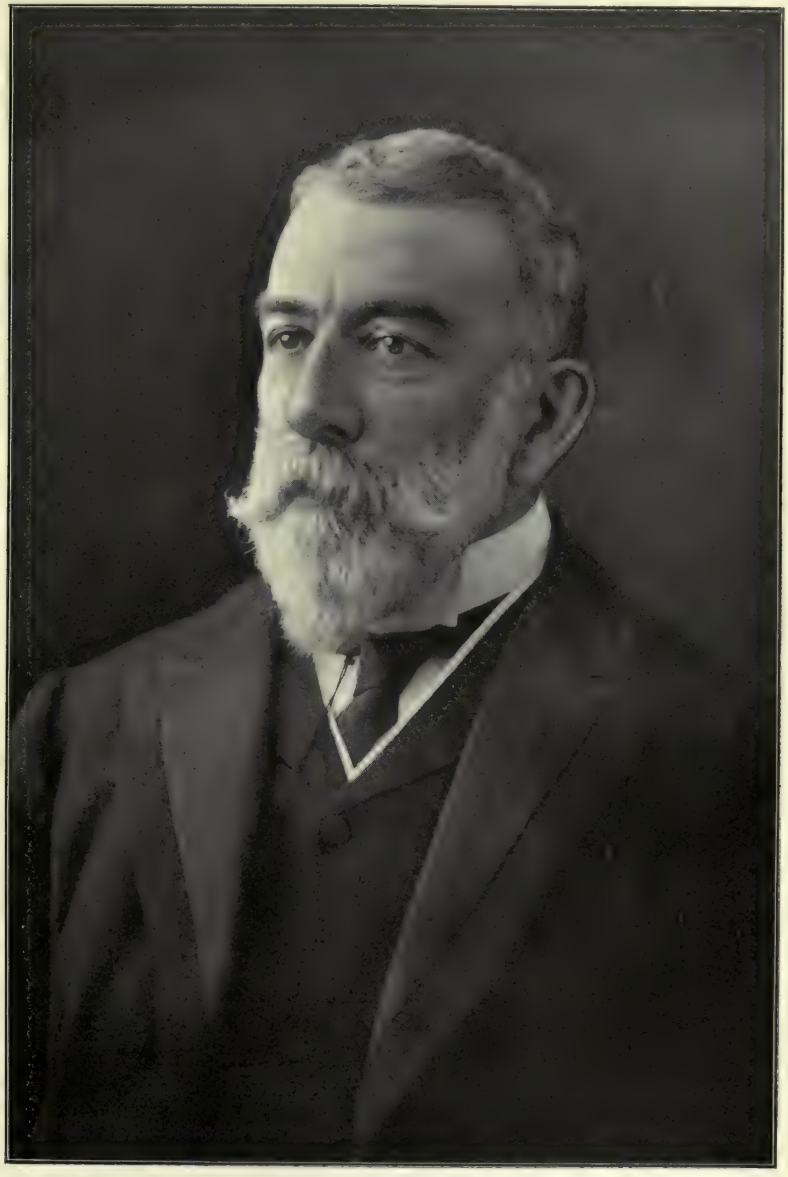
the officials from a monetary point of view, because you can get a certain amount of profit to your Bank from the Special Investment Department, and you do not get one sixpence from the Government for any amount of stock you hold. There are other points, but I strongly urge that the Special Investment Department be used in preference to a Stock Department. I have to thank the meeting for the kind attention given me. (*Loud applause.*)

The CHAIRMAN.—We must all admire Mr. Watson for his courage in introducing such a highly technical subject before an audience in which there are so many experts, but we must not forget that he himself is an expert. His has been one of the most welcome papers we have had to-day, and not only most useful to those who have well settled habits themselves, but to those who are not above taking the little tips from other Savings Banks, because it is exceedingly common to find another mind that has perhaps come from a distance look at things from a different aspect or angle, and making a suggestion which is found to be most useful in practical experience. Amongst the mass of detailed work which, notwithstanding Mr. Corbet's remarks, will be dealt with occasionally on busy nights, Saturday nights especially, it is extraordinary how a little practical suggestion from another quarter will help to ease the official wheels and keep things going smoothly. I have, on your behalf, to thank Mr. Watson for his valuable and interesting paper. (*Loud applause.*)

THE SAVINGS BANKS IN AUSTRALIA

Mr. D. MITCHELL, Sydney, who was next called upon and received with enthusiasm, read the following paper on this subject:—

At this time, when is being celebrated the Centenary of the foundation of Scottish Savings Banks, it is interesting



DAVID MITCHELL, Esq., J.P.
Managing Trustee
Savings Bank of Sydney, New South Wales
(Delegate from Sydney)

(*Photo by Kerry & Co., Sydney*)

to find that it was only some eight or nine years after the benevolent Rev. Dr. Duncan had initiated his project to induce the people of Ruthwell, Dumfriesshire, ' to provide for their own support and comfort ' by saving their ' odds and ends of income,' that in far-away Australia the same benevolent thoughtfulness had borne fruit in the founding of the New South Wales Savings Bank. (*Applause.*)

Evidence indicates that Mr. Robert Campbell, Merchant, of Sydney, was the originator of the first Savings Bank in New South Wales.

In a statement published in 1832, Mr. Campbell accounts for deposits received as early as 1st January 1819.

The formal proceedings, however, which led to the foundation of a regular Savings Bank, were held ' At a meeting of the Inhabitants of the Colony of New South Wales holden at the New General Hospital, Sydney, on Saturday, the 5th day of June 1819, His Excellency Governor Macquarie in the Chair.'

Several resolutions were passed embodying the sentiments of the meeting. The first as to the ' extravagance and improvidence ' which the ' poor settlers,' etc., had fallen into owing to having no encouragement to save, nor place of safe deposit, whereby payments for produce or labour are generally made to them by produce or barter, on which account both the labour and the property are rated upon an artificially high scale, and the little money that passes is quickly dissipated, ' . . . a system which mainly tends to keep them poor, vicious, and unmarried.'

The second resolution sets out ' . . . that a great part of these evils would be remedied by one of those recent and laudable institutions of the mother country, called a Savings Bank.'

Having decided on the formation of the Bank, the meeting requested Governor Macquarie to become Patron,

Mr. Justice Field was appointed President, and the following were named Trustees:—Lieutenant-Governor Erskine, C.B.; Mr. Judge Advocate Wylde, LL.B.; Sir John Jamison, K.G.V.

The Depositaries appointed were:—Mr. R. Campbell, sen., Merchant, of George Street, Sydney; Mr. H. M'Arthur, Magistrate and Merchant, Parramatta; Mr. William Cox, jun., Windsor; Mr. Moore, Magistrate, Liverpool.

The latter gentlemen were required to give 'landed security' to cover any sum they might receive on deposit. The funds were apparently left with them, and they had to pay the depositors 1s. 6d. by way of interest for every 'complete pound' left in their hands for every 'complete year.'

A committee was also appointed to meet every three months for the purpose of hearing and answering any complaints of the depositors on the subject of their savings.

To bring the matter fully before those proposed to be benefited by the new Bank, Governor Macquarie issued 'a plain address,' which was prefixed to the Regulations of the New South Wales Savings Bank, and makes now quaint reading.

Reference was made to those arriving in the colony bringing 'small sums of money from England,' their 'own savings or the bounty of' their 'friends.'

Two shillings and sixpence was the minimum deposit, no maximum was fixed, and no receipt was given by the Bankers for less sums than one pound, and for each one pound deposited a separate printed receipt was given.

The Sydney Gazette and New South Wales Advertiser, in its edition dated Saturday, 17th July 1819, has an advertisement to the effect that the books of the Savings Bank would be opened for the receipt of deposits on Saturday, 17th July 1819.

In 1822 this first Savings Bank is noticed in *The Australasian Pocket Almanack*, published by Robert Howe, Government printer, at Sydney, thus :—

NEW SOUTH WALES SAVINGS BANK

PATRON

His Excellency Sir Thomas Brisbane, K.C.B.

PRESIDENT

The Honourable Mr. Justice Field.

DEPOSITARIES

Robert Campbell, sen., Esquire, Sydney,
Hannibal M'Arthur, Esquire, Parramatta,
William Cox, jun., Esquire, Windsor,
Thomas Moore, Esquire, Liverpool,

who will receive all savings above two shillings and sixpence every Saturday morning, and pay one shilling and sixpence interest for every pound that shall have remained in their hands one year.'

This unique notice appeared in the *Almanack* for some years subsequently.

Mr. W. C. Wentworth wrote in a work entitled *A Statistical, Historical, and Political Description of the Colony of New South Wales, and its Independent Settlement in Van Diemen's Lands*, date 1820 :—' The last accounts received from the Colonies state that those valuable institutions, Savings Banks, have been just introduced there. Gentlemen of undoubted responsibility have undertaken to act as receivers in the various districts.'

(Mr. Wentworth also wrote, 'Land in this town, Sydney, is in many places worth at the rate of £1000 *per acre*.' Recently £1000 *per foot* has been realised.)

The *Sydney Gazette*, on 31st July 1832, prints a ' Statement of sums received into, and paid out of, the New South Wales Savings Bank, of which Robert Campbell, Esquire, is Treasurer, between the 1st January 1819 and 31st December

1831 inclusive.' The total remaining in the Bank was given as £9695, 4s. 11d.

As supplying the link between the primary and the present Savings Bank of New South Wales, this statement concluded by setting out the dates on which the moneys deposited by Government in the old Bank would be paid into the new.

The population of Sydney having by 1832 grown to about 16,000 souls, it was decided to formally and legally establish the institution still known as the 'Savings Bank of New South Wales.' The Act 2 William IV. No. 13, 9th March 1832, of the Governor and Legislative Council, was the measure legally instituting the Bank.

After a preliminary meeting of the trustees, held on 26th July 1832, at the Court House, King Street, Sydney, at which were present Judge Dowling, Vice-President ; Mr. Justice Therry, Colonel Thomas Shadforth, William Charles Wentworth, Thomas Walker, James Chisholm, John Blaxland, and Edward Deas Thompson,[1] the Bank commenced operations on the 17th August 1832, in a room of the residence of Mr. James Chisholm (one of the trustees, who granted its use gratuitously for twelve months) in George Street, Sydney, the accountant appointed being Mr. George Miller. The business of the Bank was continued till end of 1835 in Mr. Chisholm's house, no charge for rent being made. The Bank then removed to rented premises in King Street (£80 per annum). The operations for the first four and a half months, which completed the year 1832, show £2981 as deposited by 175 depositors.

By the end of 1838 the deposits had grown to £78,263, while the depositors numbered 3572.

In this year branches were opened in Parramatta, Windsor, Bathurst, and Maitland.

[1] One of the trustees, Mr. William Macpherson, was absent.

In 1841 a branch was established at Penrith.

In the same year a separate Savings Bank was established at Port Phillip (now the great city of Melbourne, Victoria) by Act of Council, and opened for business 1st January 1842, in Melbourne Chambers, Collins Street.

The first check to its prosperous career met by the Savings Bank of New South Wales was in the year 1843. It was a time of financial disasters, said to have been brought about by extravagance and over speculation; one Bank failed, and the depositors of the Savings Bank lost confidence, and a run set in, lasting for two days, during which £22,666 was withdrawn, being over a ninth part of the whole deposits at the end of the previous year.

The 'run' is humorously described in a work of reference thus:—'A run on the Sydney Savings Bank (Miller, Manager), which lasted two days, arose in consequence of a rumour that the Governor of the colony had examined all the securities, and had said that he would not give three straws for all of them put together.'

The Bank weathered this, its first storm, successfully; but how severe the financial stringency was, is evidenced by the fact that the total deposits at end of 1843 had shrunk by some £43,000.

The depressed state of the country's commerce was such that sheep were sold for 6d. each, cattle for 7s. 6d., and valuable horses for as low as £3. Forced sales of real estate, stock, wool, furniture, etc., were the order of the day. Australia, however, is a country of marvellous recuperative powers, and with the discovery of the Kapunda and Burra Burra copper-mines in South Australia, prosperity once more ensued.

The year 1845 saw deposits in the Savings Bank largely increased. The gain continued until 1847; 1848 and 1849 show a drop, probably due to the emigration to California

on the announcement of the discovery of gold in that country. In the following year the head office was transferred to its present site in Barrack Street, and a branch was opened at Singleton, a town on the Upper Hunter River.

The Savings Bank figures are, as it were, the barometer of the financial condition of the country. In 1843 the glass fell rapidly, but in 1851 the most brilliant weather was indicated, the deposits reaching £221,251, an increase of £46,000 for twelve months.

The discovery of gold in Australia occurred in this ever memorable year. Not only did it result in a large and valuable addition in the gold seekers to the population, with a consequent revolution in all industrial relations, but it increased the Savings Bank of New South Wales deposits in 1852 to £431,435, a gain of £210,000, and the depositors to 8121, a gain of over 2000. 1853 gave deposits £602,268, and depositors 9972, so that in three years the deposits increased threefold, and depositors were nearly doubled in numbers.

The important town of Goulburn was provided with a branch in 1852.

The Bank from this period forged ahead with little or no check to its annual increase of depositors and their savings.

In 1855 branches were opened in Sofala and Wollongong, in 1857 one at West Maitland, in 1858 six more were added, viz.—Newcastle, the great coal port ; Scone, Clarence Town, Carcoar, Cooma, and Orange. In 1859 Mudgee was added to the list of branches. In 1868 a city branch to relieve the head office was established.

By the year 1876, when were established in New South Wales, Post Office Savings Banks, the deposits in the Barrack Street institution had increased to £1,303,812, belonging to 31,003 depositors.

The opening of the Post Office Savings Banks did not check the growth of deposits nor decrease the number of those saving in the old Trustee Bank, for in 1886 the latter had 52,378 depositors, and £2,081,498 deposits.

In February 1892 history repeated itself, as far as a wild rumour was concerned, in causing a ' run.'

On the morning of the 10th February the Savings Bank opened its doors for business, and as usual a few depositors were waiting to transact their business ; within one hour the premises were besieged by a frenzied mob clamouring for their deposits. There being no local conditions to account for the ' rush,' all was mystery, until it was reported that some demagogue had announced in one of the public parks, briefly and pithily, ' The Savings Bank has gone bung.'

The trustees, to allay the public anxiety, so groundless and absurd, issued notices that all deposits would be paid in gold, and the doors kept open three hours after the usual closing time.

Within forty-eight hours the depositors were just as anxious to re-deposit as a few hours previously to withdraw.

The last test of the stability and liquid assets of the Savings Bank of New South Wales occurred in 1893. In that year a severe financial crisis overtook Australia, and on the suspension of many of the proprietary Banks, another ' run ' on the Savings Bank of New South Wales, as well as one on the Post Office Savings Bank, eventuated. For three days the ' run ' lasted, when once again the tide turned, and from that day the premier Trustee Bank of Australia has continued its successful career without interruption.

Despite extensive alterations and additions to the head office, the congestion of depositors was so great that in 1902 suburban branches were opened in Balmain and North

Sydney, in 1904 in Newtown, and in 1906 a further city branch was added in Oxford Street.

In 1905 the trustees provided for the wants of the miners in the silver city of Broken Hill (some three days' journey from Sydney), and for the dairying district of Lismore in the same year, nor did they forget Lithgow, the home of the iron industry of New South Wales.

1907 saw the wants of Tamworth and Inverell, two flourishing northern towns, provided for; and in 1908 Albury —the border town on the railway between Victoria and New South Wales—and Wagga Wagga (of Tichborne Claimant fame) were added to the list of branches.

Unlike the Trustee Banks in the old country, those in Australia lend money on mortgage of real estate as one form of investment of the funds.

The Savings Bank of New South Wales at the end of 1909 had £1,117,167 so invested on 2153 mortgages. This form of investment enables a higher rate of interest to be paid than if deposits were confined to Government and municipal securities.

The rates of interest allowed on accounts open on 31st December each year by the Bank under review were as follows:—1832, 5 per cent.; 1833 and 1834, 7½ per cent.; 1835, 8¾ per cent.; 1836 to 1841, 10 per cent.; 1842, 8¾ per cent.; 1843 and 1844, 5 per cent.; 1845 to 1847, 3⅓ per cent.; 1848 and 1849, 2½ per cent.; 1850 to 1852, 3⅓ per cent.; 1853 and 1854, 2½ per cent.; 1855, 4 per cent.; 1856 to 1859, 5 per cent.; 1860 and 1861, 6 per cent.; 1862 to 1877, 5 per cent.; 1878 and 1879, 6 per cent.; 1880 to 1882, 5 per cent.; 1883 to 1886, 6 per cent.; 1887 to 1894, 5 per cent.; 1895 and 1896, 4 per cent.; 1897, 3½ per cent.; 1898, 3 per cent.; 1899 to 1903, 3½ per cent.; 1904 and 1905, 4 per cent.; 1906 to 1909, 3½ per cent.

The maximum amount on which interest is allowed

is £200, except in the case of charitable institutions, and friendly and registered societies, etc. Interest is allowed on the monthly balances, and is added to accounts once each year.

1832–1909: seventy-seven years is a long period over which to cast the eye of reflection. 1832, 175 depositors, £2981 deposits; 1909, 125,870 depositors, £6,847,153 deposits; average amount at credit of each depositor in 1832, £17, os. 8d.; in 1909, £54, 7s. 11½d.

Add to this an accumulated reserve fund of £392,975, and what volumes the figures speak for the thrift and prosperity of the people, and for the care, business capacity, and unimpeachable integrity of the trustees who have, without fee or reward, managed this fine institution, whose history is a simple record of success and progress covering nearly the whole time during which Savings Banks properly so called have been existent in English-speaking communities; a history, too, devoid of those gloomy episodes which marred the career of many similar institutions in other lands, with the consequent ruin to many, and resultant loss of public confidence.

The Governor of New South Wales, for the time being, is the President of the Savings Bank of New South Wales; the trustees are limited to eighteen (one of whom is managing trustee), and are appointed by the Governor in Council—one of the number is Vice-President.

The latter office is now filled by the Honourable Edmund Fosbery, C.M.G., and the managing trustee is Mr. David Mitchell.

At present the funds are—

1909, New South Wales	.	£6,847,000, Trustee Banks.
1909, Government Savings Banks	.	13,303,300
		£20,150,000, Total N.S.Wales.

The trustees have sought, as the years passed, to grant

every reasonable facility to the depositors for the deposit and withdrawal of savings. For many years repayments have been made at call, and the head office and many branches are open for business daily during ordinary banking hours.

Shorn of all needless formalities, the only ones being those necessary to ensure correctness and security, the institution is most popular.

The system of check and audit is of the strictest nature, the officers are well remunerated, and feel a pride in the continued prosperity of the oldest Savings Bank in Australia. (*Loud applause.*)

Mr. W. HERBERT PHILLIPPS, Adelaide, read the following paper on the same subject :—

The story which I have to tell will, I trust, interest and not weary you, for I am here to represent the three important States of Victoria, Western Australia, and South Australia, especially the latter, where I have held the position of Chairman of the Savings Bank of South Australia for many years. Australia is entering upon its young manhood, and in the full vigour of that life is displaying great energy, and developing—especially during the last decade—in a remarkable way. With the advance in her education, notably in the science of agriculture and its allied industries, she has to some extent solved the problem of wresting from Nature her vast treasures. Wealth is accumulating rapidly, and new areas, hitherto deemed of little value, are being rapidly settled. The general cry is, ' Give us more people,' and the tide of immigration has set in. In such conditions, and in the settlement of new countries generally, success and thrift go hand in hand. The careful, saving settler is the prosperous one, and whether the rapid growth of Savings Banks is due to the tone created by the grand Scotch settlers, who did so much to pioneer the wilds of Australia in the early days, amidst so much hardship and

W. HERBERT PHILLIPPS, Esq., Adelaide,
Delegate representing Adelaide
and Melbourne

(Photo by Falk, Sydney)

privation, discouragement and danger, I cannot say, but I think it almost a certainty. As a lad in a merchant's office in the early days, I remember with what admiration I used to regard these men from the far distant interior, away back from the Rivers Murray and Darling, when they paid their annual visit to civilisation. Nearly all these brave fellows who conquered the wilds were Scotsmen, and they have left the spirit of their good qualities behind them.

If progress and thrift in new lands go hand in hand, then it is vital that the opportunities for saving should be provided and multiplied. In the far-off districts, where so large a part of the population is a labouring one, leading a more or less nomadic life, without some such safe deposit as a Savings Bank, the risk of losing their earnings, and the temptation to spend the hard-won wages in material gratification, is too strong, and to a great extent in the early days was responsible for the 'knocking down' of cheques at the nearest Bush shanty in sad dissipation. That is now almost a thing of the past, for a Savings Bank exists at most of the Post Offices. Men now have the opportunity, and are led to save their money with the object of starting life on their own account. Savings Banks in Australia are thus doing an important work in elevating the community, and in aiding in the settlement of the country. In the settled districts and the centres, the general absence of poverty and the high average deposits in the various Savings Banks, are an eloquent testimony to the thriftiness of the people. Each State developed its Savings Bank or Banks in its own way, and it will be interesting to notice the variations in their methods, for valuable suggestions may have been made by each, to the benefit of Savings Banks elsewhere.

I will show you what Victoria, with its population to-day of 1,297,557, has done. Savings Banks were estab-

lished there in 1841, and were incorporated by Act of Parliament in 1853. Prior to 1st October 1897, there were two classes of Savings Banks—the Commissioners', founded in 1841, and the Post Office in 1865.

In the Commissioners' Savings Bank each Bank or branch kept its own ledger, and was so far self-contained that deposits could be made, or withdrawn 'on demand,' at any such Bank; but if withdrawals were desired at any other Bank or branch, time had to be allowed for authority to be sent to the office at which repayment was asked for.

The Post Office Banks were opened where the population was too small for a branch. The ledgers were all kept at the General Post Office. Deposits were received at all Post Office agencies, but could only be drawn 'on demand' at the General Post Office. If the depositor wanted his money at the Post Office agency, he had to wait until the General Post Office sent authority to make the payment.

These two classes of Banks were amalgamated by Act of Parliament in December 1896, and were to be administered by five commissioners appointed for life by the State Government. The sole responsibility rests with the commissioners, but they must conform to the Act, and they are remunerated. The Act defines the basis of investment of funds as—25½ per cent. on bank premises, freeholds, and mortgages of freeholds; 59½ per cent. in Government and municipal bonds or debentures, and in Savings Bank debentures (to which I will refer presently); and 15 per cent. in Bank deposits and current cash.

All deposits are guaranteed by the Government. Sums of from 1s. to £1000 can be deposited, but no interest is allowed on any sum over £250. Interest is fixed, and is paid to depositors at 3¼ per cent. up to £100, and 3 per cent. from £101 to £250.

Depositors can withdraw 'on demand' up to £20 at

any branch where they have their account, and under certain conditions of identification up to £2 at any other branch, but notice is required before payment of larger sums. Telegraphic withdrawals up to £20 can be arranged through any branch or agency. A depositor travelling to any other State of the Commonwealth but Tasmania, can make arrangements to draw moneys through the Savings Banks of those States. He pays exchange on anything he draws.

All the State Post Offices being now under the control of the Commonwealth, the Savings Banks have arranged to pay the Government for the work done at the Post Offices 6s. per cent. on the total of the deposits and repayments in each year, and less for over £1,000,000.

To encourage thrift, simple money boxes, with patent mechanism to prevent withdrawal by the depositor, are supplied by the Bank at a cost of 6d. each. When the box is full it is opened by the Bank, and a new box given without cost. All these boxes are numbered. In the eighteen months since this was started, sixty thousand have been applied for, showing how ready the people are to save when the convenience is provided.

The progress of the Bank is shown by the fact that in June 1909 there were 64 Banks and branches, and 337 Post Office agencies.

The total funds were £14,515,897, 17s. 8d.

The depositors were 532,425, with an average credit of £26, 9s. 8d.

The reserve fund was £350,000.

The cost of working was 8s. $5\frac{6}{10}$d. per cent. on the average funds.

The Bank earned in 1909 at the rate of £3, 8s. $6\frac{1}{10}$d. per cent. on the whole funds.

It paid to depositors £2, 11s. $7\frac{2}{10}$d. per cent.

Expenses of management were 8s. $5\frac{6}{10}$d. per cent.

Leaving as a margin for contingencies, 8s. $5\frac{3}{10}$d. per cent.

Depreciation account stood at £45,200, 6s. 11d.

In December 1896 an Act was passed creating an Advances Department, known as the 'Credit Foncier.'

The funds for working this department are not drawn from deposits, but are raised by the sale of debentures and bonds.

To date sales of bonds at 3 and 3½ per cent. interest were	£2,583,600
Redeemed, ...	1,003,750
Outstanding, ...	£1,579,850

The objects of this department were to encourage settlement on the land by making advances to farmers.

On 30th June 1909 the number of loans was 3109, with an average to each borrower of £422, 1s. 8d. Interest and principal are made payable annually at consolidated percentages, the interest being calculated at 4½ per cent., and the rates are fixed at 6, 6½, 7, and 9½ per cent. to discharge the liability in 31½, 26½, 23½, and 14½ years respectively. The 9½ per cent. applies to highly cultured lands, such as vineyards, orchards, hop-gardens, and the like. On 30th June the arrears of interest were only £84, 12s. 3d., and of principal £42, 3s. 2d. The profit for the year on the Advance Department was £4686, 9s. 11d. on ordinary funds, and £2350, 19s. 3d. on reserve fund investments. The cost of working was 9s. $4\frac{4}{10}$d. per cent., including $10\frac{8}{10}$d. per cent. law costs on mortgages, which are not paid by the borrowers. To this must be added $9\frac{6}{10}$d. for valuator's expenses, calculations being on the average funds.

Let me now speak of the Government Savings Bank of Western Australia. It was established in 1863 as a Post Office Savings Bank, under rules and regulations similar

to those prevailing in the United Kingdom. In 1901, when the Commonwealth was founded, it was separated from the Post Office, and attached to the State Treasury Department. Its progress was slow prior to the discovery of gold; for as late as 1896 there were only 31 offices. On 30th June 1909, exclusive of school agencies, the offices numbered 142, with 71,262 depositors, equal to 25·90 per cent. of the population. The balance to credit was £3,052,530, 10s. 10d., an average of £42, 16s. 9d. per depositor, and £11, 1s. 10d. per head of the population, which now numbers 270,779.

In 1907 the schools were asked to accept agencies to encourage thrift in the children, deposits from 1d. to 5s. being allowed. On 30th June 1909, 105 had opened agencies, and there were 4590 depositors with £3044, 9s. 11d., or 13s. 3d. per child on deposit. By a later note I learn that in April 1910 there were 6086 depositors with £4352 deposited, showing how the children are responding to the facilities given.

The Bank in Western Australia makes depositors fill in a slip when making deposits, which they have to sign. It prevents disputes when a book is lost and a new one substituted.

Withdrawals can be made at the head office of the whole amount at credit 'on demand'; at State managed agencies up to £10 on identification; at Post Office agencies up to £2 on the same conditions. Larger sums must be authorised by head office, and will be remitted to the agency by post, or payment sanctioned by wire provided the agency has the funds and can identify the depositor.

The rate of interest on deposits stands at 3 per cent. up to £1000, but may be altered by notice in the Government Gazette.

All the deposits are paid by the Bank to the State Treasurer, excepting what may be needed for current business.

The investments are made by the State Treasurer with the consent of the Governor, thus—

a. Bank deposits at interest with any incorporated Bank.

b. In any Government securities, *i.e.*, inscribed stock, debentures, Treasury bills, to the forms of security granted by the Government, and secured on consolidated revenue; any public debt created with legislative authority; and in all shares and other securities guaranteed by the Government, and carrying a fixed rate of interest.

c. Debentures issued by any local authority.

d. First mortgage of freeholds in West Australia, up to 60 per cent. of valuation, no loan to exceed £5000, and interest to be not less than 5 per cent. A total of not more than one-third of the Banks' funds can be so invested.

This brings me to the Savings Bank of South Australia, which came into existence on 11th March 1848—sixty-two years ago. It was a private effort, under an ordinance which was declared to be 'for the encouragement of frugality; and that persons possessing small sums of money beyond what they required for the supply of their immediate wants, should be afforded an opportunity of depositing the same on good security to accumulate at interest.' Twelve respected citizens were appointed trustees. A room was offered and accepted free of rent. Deposits were received on Saturdays at 12 to 2, and 7 to 9, and payments were made on Wednesdays between 12 and 2. There was only one paid official, an accountant, the trustees assisting him in turn. No depositor could deposit more than £30 in one year, or £100 in all. The policy was to encourage thrift, and not to create an investment institution. In three weeks forty-one accounts had been opened, and the deposits

were £419, 12s. The population in the city was small. In nine months there were 214 depositors, with £5313, 9s. 2d. to their credit. Out of this the trustees had lent £3100 on mortgage, at 10 per cent. Securities were offered freely, but only the best were taken. Compare that position with the present one in 1910. The population now is 410,024 :—

			£	s.	d.	
Ordinary depositors number	190,460,	with	6,508,829	9	9	deposits.
State school children „	6,214,	„	3,169	17	8	„
	196,674		6,511,989	7	5	

or 44 per cent. of the population = £15, 12s. 4d. per capita, and £40, 1s. 10d. per depositor. Total funds, however, including reserve, were £6,837,835, 11s. 3d. when I left, and are now probably £7,000,000.

The Act under which the Bank worked had been amended to remove the £30 limit, and to raise the total deposit to £500, only £250 being interest bearing. Although the Bank works under a principal and several amending Acts, it is not guaranteed by the Government, but the ministers of the day have the appointment of the trustees, who serve for three years, two retiring each year, but may be reappointed, the idea being, that as no practicable method of election by the depositors was possible, the Government was the most representative body to act for them in the selection of financial experts. The number of trustees was reduced to six. Until 1903 the trustees gave their services gratuitously, then a small fee was provided by Parliament, and the trustees must meet each week.

Under the Acts the funds of the Bank may be invested in first mortgages of freeholds, Government stock of the Australian States or the Commonwealth, municipal bonds or debentures, deposits in approved Banks, Bank premises, and a gold reserve.

In making its loans, security is the first consideration

rather than a high rate of interest, and, after a careful valuation by the Bank's valuator, 50 per cent., or in some cases a little more, is advanced. The Bank holds no foreclosed properties, and there were no arrears of interest at last balance. The amount lent on mortgage is £1,640,366, and the rate of interest at present is 4½ per cent.

The depositors receive interest according to the earnings of the Bank, after adding to the Reserve Fund and the Officers' Retiring and Fidelity Fund. For the first fifty years they received an average of 4¾ per cent., and since 1898 3½ per cent., through the lower rates now obtainable on investments. During the whole period of the Bank's history, there have been only six cases of forgery; and, as marking the progress of education, I may state that in 1863 the number of depositors who signed with a cross was 1 in 10, in 1883 the marksmen were 1 in 17, in 1897 1 in 42, and in 1910 1 in 107.

The expenses of management were 12s. 8¾d. per cent. in 1887 on local funds, and 6s. 3⅓d. per cent. in 1909.

A few years ago all business outside the head office was done through the Post Offices; now the Bank has seven branches in towns, and there are 238 Post Office agencies.

The facilities which are granted to depositors are that up to £25 can be withdrawn without notice at the head office and any of the branches, £2 on demand at any Post Office agency on identification. There is a protected system of telegraphic repayments. At the request of a depositor amounts can be transferred to any Savings Bank, or its branches or agencies, in the Commonwealth, or to a Post Office Savings Bank in Great Britain, the depositor paying the exchange.

Small steel home savings banks are supplied at a small cost, and must be brought to the Bank to be opened. A series of envelopes, with thrift mottoes printed on them,

are supplied free of cost to manufacturers and others employing large numbers of workers, as pay envelopes, so that at the time of receiving the wage the suggestion to save may be made to the wage-earners.

The Penny Bank system was started recently in every school where a teacher was willing to take it up. Deposits are received on one day in the week, and paid into the Bank.

As a Bank such as ours has no shares and no calling power to meet special contingencies, and its investments are fixed, it was deemed not to be good finance to depend upon Banks in time of crises to provide gold to meet any sudden panic, for even if it could be supplied at such a time, it would be costly; and as by Act the Bank has to create a reserve fund which is supposed to be liquid, but in fact is not so if invested on fixed securities, the Board recently created a gold reserve, and this stands at £185,000, which is considered sufficient for the present. I think the Savings Bank of South Australia is the first to adopt this policy. The first consideration in a Bank holding the savings of the poor is not deferred security, but present ability to find gold directly it is needed, and the power to do so quickly allays all alarm, and causes the metal to return to the coffers of the Bank when it is manifest that it is prepared for the emergency. The interest loss per £1 deposited is infinitesimal, and is justifiable as an insurance premium. As an encouragement to thrift in the people, the Bank has been exempted from all income tax. Mortgages are current for one year, but become continuing mortgages subject to the will of the Bank; and the Bank has the right, on notice, to alter the rate of interest as the value of money may warrant, but this is rarely done. Borrowers can pay off sums over £5 on any quarter day, but for large amounts notice is required. Under the Torrens system of title by registration, the cost of a loan

is a mere trifle—a few shillings in fact, and the valuator's fees are very small.

As I have said, the whole of the operations outside of the city centre were, until a few years ago, done through the Post Office, and very creditably indeed as far as the many calls on the time of the officials would allow; still, serious delays were inevitable, and it was difficult to give privacy, so a branch was built and opened as an experiment, in the belief that the additional facilities would lead to such an increase in business in twelve months as would justify the outlay. It was gratifying to find that in three months the anticipations for twelve months had been realised. The Bank has therefore gone on building branches where the conditions warranted it, and always with justifying results. When a branch is established, all the Post Office agencies within a certain postal area are detached from the head office and associated with it, that those agencies may be able to make speedy repayments to depositors. These branches further become a great assistance in securing local mortgages, all of which, however, are dealt with by the head office alone. This opening of branches has been of great incentive to efficiency in all the officials, as affording an opportunity of pecuniary and social advance.

In closing, I would call attention to the fact that the comparison between the Banks in the Australian States, as an indication of the thriftiness of each, must have regard to the varying limits of deposits.

In Western Australia it is £1000, with interest payable to that amount.

In Victoria it is £1000, with no interest over £250.

In South Australia it is £500, with no interest over £250.

At the close of his paper, Mr. Phillipps said: It has been quite a treat to meet the gentlemen who represent the

interests of Savings Banks here, and to listen to the splendid addresses and papers given us. On returning home, I shall be able to give a very good report of the gracious way in which you received us. (*Applause.*)

Mr. COCKBURN MILLAR, C.A.—I desire to be allowed to express in words, what you have already expressed, our sincere thanks to Mr. David Mitchell and to Mr. W. Herbert Phillipps for the admirable and suggestive papers delivered to us in such a picturesque way. They have come a long way, and told us that our brothers in Australia are pursuing courses which are bound to lead to great prosperity in the great Commonwealth. We trust that when they return to the Colony, they will find things progressing as they were when they left, and that they will carry with them our best wishes, not only for themselves, but for the great Commonwealth of Australia. (*Loud applause.*)

The CHAIRMAN.—This Conference desires to thank Mr. Mitchell and Mr. Phillipps for their most able and interesting addresses, and desires to convey to the Banks of Australia the very cordial thanks of this Conference for their kind message.

THRIFT AND OLD AGE PENSIONS

The CHAIRMAN.—We have now a paper by Mr. Alexander Cargill, J.P., Actuary, Savings Bank, Edinburgh, but as the hour is advancing, it will not be read to-night, but will be reproduced in the printed résumé of the business.

Mr. CARGILL'S paper is as follows:—

In introducing this subject for consideration it is interesting to recall to mind the fact that the principle of Old Age Pensions was well known in our country long before Savings Banks were first heard of. True, the Friendly Societies were, as they have been almost from 'time out of mind,' in active operation in certain forms and in many

places. But it was about the period when Robert Burns, our national poet, was writing his immortal songs, and that glorious song in particular, beginning—

'Is there, for *honest poverty*,
Wha hangs his heid an' a' that?'

it was, I say, about the year 1790 that the earliest proposal relative to the necessity for some relief of the poor, in the form of a pension or an annuity, was first heard of in our land, and some effort made for its realisation by the agency of the State. But the time for it was not yet. Ways and means, alike in the political and economic sense, were, a century ago, sadly unavailable. The very principle itself was vague and indeterminable in many of its features; and though the underlying necessity then existed, as it had probably existed for many generations before, and the term 'Old Age Pensions' or 'Annuity' became, for the first time, a part of the nation's vocabulary, both the principle and the phrase were for nearly a century afterwards forgotten altogether, and became a negation—a 'dead letter' absolutely, alike in the public mind and conscience. But the principle which had thus been laid aside, like an unfitting or unbecoming garment, was nevertheless one fine day rediscovered by its owner—the practical-minded John Bull, who, taking it, as it were, out of a repository in his wardrobe, found it to be, even after the lapse of so many years, a garment somewhat to his liking. And so he bethought him, good honest man that he is! that if brushed up a little and renewed and refashioned to the requirements of the day, the old discarded and unfitting garment might yet be made to be of some good service. As we all know, in the fulness of time, and in recent years, the revival of public interest in the principle of 'Old Age Pensions' has become a matter of history. The latent principle has at length been materialised and translated into living actuality on the statute book of our noble constitution.

The term 'Old Age Pension' has become one of the most familiar in the mouth of the nation, and—shall I add?—one of the most eloquent and significant it has ever uttered!

Into the history of this revived movement of Old Age Pensions I cannot, of course, enter here and now. There is no time for this, nor is there any need for my doing so, except just to say, and in a sentence, that after much patient and exhaustive inquiry into the deep complexity of the matter on the part of those who may be regarded as constitutionally responsible for the adoption of our present system of Old Age Pensions, that system has now become an all-important factor in the life of the nation—a factor which, sooner or later, must contribute a very material measure of influence on the moral as well as on the economic healthfulness *or otherwise* of the great body-politic. For we cannot now, or at any future time, unless under the stress of national bankruptcy—which is not even to be imagined of our country—expunge from the statute book this new scheme of Old Age Pensions to which, as a nation, we are committed from now henceforth; unless, again, on the other hand, our national prosperity, in the course of time and the providence of God, becomes such that every man, woman, and child in the three kingdoms will be the happy possessor of a Savings Bank account replete to the fullest limits of deposits, and *then* the term 'Old Age Pensions' will have become an obsolete phrase, of interest only to antiquarians and folk-lorists!

It is a remarkable fact, and a fact that cannot fail to impress all who are interested in the progress of thrift in its various present-day forms, that our system of Old Age Pensions has been introduced and made operative at a time when that progress had attained to its highest point of success in the history of the thrift movement. Let me give you one or two figures to bear out what I have just said.

There are at the present day, connected with the various

thrift agencies of our country—I mean the Friendly, the Co-operative, the Trades-Union, and the Building Societies, and, of course, the Trustee and Post Office Savings Banks—no fewer than 29,000,000 individuals of all ages, or about 85 per cent. of the total population ; while the combined funds of all these agencies aggregate close on £400,000,000 sterling. Now remember that these figures have never been surpassed or even approached in the history of these thrift agencies. Or let me put it in another way—the average wealth per head of the entire population has increased, with the growth of the population, from £220 in 1872 to £320 in 1908, the year of the introduction of Old Age Pensions; and it is interesting to know that in 1904, according to Michael Mulhalt's *Dictionary of Statistics*, the United Kingdom stood first (and it still stands first) in this respect among all the great countries of the world ; the United States of America coming next, with £312 per head of its population; Australia and France next again, with £270 per head respectively; while Germany takes eighth place on the list, with only £168 per head of its great confederated population.

Now what is to be thought of the introduction of our national Old Age Pension scheme in the light of these facts and figures, applicable specially to the United Kingdom, and at one of the most prosperous periods, generally speaking, in the industrial life of the nation? Close on 30,000,000 persons, owning among them nearly £400,000,000 of money, in those thrift agencies only which I have indicated, or about £13, 7s. per head—man, woman, and child! If we deduct from the total population of the United Kingdom the number of those persons who do *not* belong to the friendly or cognate societies, but who are presumed to be more fortunate than the Savings Bank depositors, in having fat accounts with, say, the Bank of England or Bank of Scotland, or at Cox's and the other swell banking establishments throughout the

country, why, one can hardly believe that there should be close on 850,000 pensioners of the age of seventy years and upwards at the present day. And yet, ladies and gentlemen, that is so ! Reduce the age limit to sixty-five, and we would have, I believe, several hundred thousands more pensioners to add to their number. The only inference is that those 850,000 pensioners are just the very persons for whom the Old Age Pension scheme was established—the same as those to whom Burns applied the aptest phrase ever invented by poet, or politician, or philanthropist—even those whose 'honest poverty' entitles them to the consideration and sympathy of the State.

If, then, these figures prove anything at all, it is this, that with the increase of our population, the ratio of the wealth of the people not only keeps pace, but is actually outpacing it, and that to an appreciable extent in each decade, and yet a national Old Age Pension scheme is now an accomplished fact. Into the merits or demerits of this great enterprise it is beyond my purpose to enter, excepting to remark that it may be safely calculated to have, in its providing several hundred thousands of aged and probably deserving persons with pensions, some determining influence in all time to come bearing directly on the continuance of our system of national thrift as practised for the past hundred years. This is the first 'problem' I should like to consider briefly—a problem which, it goes without saying, is exercising the minds of many people at the present time. Will this new and untried scheme of Old Age Pensions, when it becomes part and parcel of the national experience, discourage those good old habits of thrift which our forefathers practised with so much patience and endeavour, and in some measure nullify, along with those habits, the sister-virtues that usually attend upon thrift, viz.—forethought, or providence, self-denial, self-reliance, sobriety, and a

general sanity and safety in living in this workaday world? An adequate answer to this question is, of course, impossible; no person of ordinary judgment would venture to say 'ay' or 'no' to it without doing detriment to his common sense, because it not only involves ethical, as well as merely material, considerations of deep and far-reaching import, but it will require also to have the test of experience applied. Nevertheless, it is permissible to give some forecast of what possible results may happen in the domain of thrift when the national Old Age Pension scheme has been in full operation (say ten years hence), and, particularly, when its significance and meaning have been fully understood and realised by the young of our day as well as by their elders.

To my mind one of the most disturbing things about the scheme is to be apprehended in the notoriety which has signalised its history up till now. You will not find two men in the street who are equally agreed upon it; 'this feature is questionable, that is absurd, another is impossible,' says one man, while the other man avers that every feature bears the impress of the master hand! 'Double, double, toil and trouble' is the witch's verdict, and, on the whole, it is impossible to better it. It is in this contentiousness, which has made it bulk so largely in the mind, and has dinned it so loudly in the ear of the present age, that even already, it may be said, the younger generation are learning to regard the benefits the scheme holds out to their old age as something to which they have acquired a prospective constitutional right or claim. The moral effect of this will be largely deleterious on the minds of the rising generation so long as the underlying principle of the pension scheme is that it is founded on a non-contributory basis. It is all very well to say that it is impossible to introduce such a principle now, but be that as it may, until the present scheme is recast, and made to include some effort of contribution on

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the part of at least prospective pensioners, there is certain to be a slackening in the general pace in the movement of national thrift; indeed, many persons will prefer to fall out of pace altogether, and that is surely to be avoided as a real evil. For take away that chief spur to all thrift, viz., provision for the rainy day—whatever form it takes, or whether it comes before or not till the age of sixty-five or seventy, and you will expose the national as well as the individual life and character to a crowd of influences which, even under the best conditions, are prone to be hurtful. What, in my opinion, should be aimed at and embodied as soon as possible in the nation's Old Age Pension scheme is a system of contributory payments, variously scaled for all between the age of, say, thirty and fifty-five. Ordinarily this is the most productive period of average life, neither beginning the compulsion too soon nor carrying it on too long. I suggest no details for its working, but merely the introduction of some principle of contribution and the best age limit for its practical application, and I do so mainly on moral grounds, though, of course, financial urgency at headquarters must sooner or later provide for its adoption in some form or another. And, as emphasising the necessity for the adoption of this all-important principle, there are other elements or factors now at work in our national life which likewise are certain to have a very material influence on the future of the great thrift movement.

There are three special factors which were almost unknown to the last generation, but which have recently become, or are in process of becoming, part and parcel of our national life, and which are certain to influence (for good or evil, who shall say?) the future of all those beneficent thrift institutions referred to in the previous article as having accomplished so much for the moral and material welfare of the masses of the people during the past hundred years.

Probably there are other factors at work in this connection, but I shall confine myself to a trinity of them at present. I have already, though briefly, referred to the fact of the omission from the Government Old Age Pension scheme of any principle of contributory payments as likely to have a tendency to discourage thrift, especially among the youth of the community. Here, surely, we have quite a new and serious element to reckon with, which, on moral grounds at all events, will have to be carefully watched as time goes on, and the effects of the scheme are noted on the great thrift agencies of our land. From those who have taken any part in the thrift movement in the past, say, by encouraging Penny Banks for the young, or helping on the work of friendly and kindred societies among the industrial classes, especially in the great centres of population, even a larger measure of practical interest will probably be called for in the future. In this sphere, where kindly counsel and helpful precept are specially needed, much may be done to keep the movement going as aforetime, and to check any appearance of slackness of interest in thrift which the prospect of Old Age Pensions, looming large and larger on the horizon of the age, might be expected to encourage in ordinary human nature. It may be that into this sphere there are, as in every generation, many thousands of persons, young and old alike, who never enter, and who never can enter—ousted, so to speak, in many cases by an unhappy fortune, in many others self-prevented, in not a few others discouraged by a full-handed and beneficent State which, some day, may seek to do all and find all for its people. It cannot certainly be said of the average working man of to-day (and more 's the pity on that account!) that he is in as favourable a position for the practice of thrift and the acquirement of its attendant virtues as was his father, and that just because he has advantages in the matter of higher wages,

better housing, free educational and other benefits for his children, and in other ways, all unknown to the sturdy and strenuous times of fifty years ago. And now he and his children are having the world-old apothegm reset before his eyes, but in a fresh frame, and with a new veneer and slight textual addition—'Take no thought of to-morrow, for I, the State, will provide.' Is there not a danger lurking subtly in this new factor which has just come into our present-day code of industrial ethics, and which I can here do little more than merely indicate—the danger of the present rising generation becoming heedless of their sense of individual responsibility in this matter, and so jeopardising their foothold of self-reliance and independence? Let us hope that this danger may be more imaginary than real, but at the same time let us insist that the young, at least, may more than ever be directed and advised that self-help, in the matter of providence and thrift, is 'worth a thousand pounds' more than any modicum of State aid, unless, as already alluded to, that is bestowed (say, in the form of an Old Age Pension) by virtue of the individual effort, or contribution.

Coming now to the next problem in importance and in interest, I respectfully venture to describe it as the *pronounced spending proclivity* of the age, in amusements, sports, and pastimes, and, generally speaking, on the luxuries rather than the necessities of life. No one will deny that this is a pre-eminent characteristic of our day and generation. Granted that there is more to spend, and also that there is more being saved than ever was the case before, it is impossible to get away from the impression that, under the head of amusements, etc., spending has become, or is more and more in course of becoming, systematised.

An attempt was recently made by a well-known expert in statistics, resident in the second city of the Empire, to

obtain some reliable data as to the amount spent there in such amusements as are provided by the theatres and music halls only. I have been favoured with a copy of a table of the 'estimate of attendances and of the total cost of admission' which he has prepared, and as I think it may be taken as a very fair gauge or test that may be applied to most of the larger towns and cities of the United Kingdom, I have obtained his permission to reproduce it here in support, to some extent at least, of what I refer to.

The chief point to be noted in the foregoing figures is the fact that over £1000 per night was (initially) spent on this form of amusement by the good folks of Glasgow; but it is far from my intention to say a single word of criticism regarding it, for has not Glasgow the largest Savings Bank in the United Kingdom, with over £10,000,000 of funds, with no less than 225,000 depositors; and if it cannot be said of them, as has been averred of the citizens of Dublin, that they are the 'kyar-drivingest, say-baythingest, tay-drinkingest' people of the nation, they certainly need no apology for spending this sum of money nightly on a form of amusement which evidently is highly popular with them, if considered alone from the point of view of attendance. But I take the sum of £1000 per night as a measure by the help of which it is possible to arrive at a fairly correct estimate of the sum spent (only *initially*, of course) nightly, weekly, and yearly on that particular form of amusement throughout the United Kingdom. No doubt there are centres of population where this form of amusement is much more accentuated, and the ratio of cost greatly increased; but, on the other hand, there are many places to which, for various reasons, it would be unfair to apply the gauge thus obtained, so that I believe I am on pretty safe lines in applying it generally. If, therefore, a population of 1,000,000 (like that of Glasgow and suburbs) spends £1000 (roundly

stated) per night on theatres and music halls, it is not difficult to estimate the sum spent by the entire population of the United Kingdom per night, or week, or year. On this basis, and taking the entire population at 40,000,000, the result works out at something like £12,000,000 per annum. Is it conceivable that, fifty, thirty, or even twenty years ago, such a large sum of money was annually spent on this one item of entertainment or amusement? There are few persons who will not agree with me when I venture to say that such a figure was not likely to have been reached until within the past decade or so, and the probability is that it will go on increasing so long as there is sufficient justification therefor on the part of those who are responsible for providing wholesome entertainments in our theatres and music halls for the multitude.

It is, however, more towards the field of sport than the department we have just been considering that we must go to find some real ground or basis for the affirmation we have made with regard to the greater spending proclivity of the masses of the population. The finance of football alone would, were accurate data obtainable, surprise most people, excepting those, of course, who are devoted to the popular game. During the season, when the game is in full swing all over the country, a truly fabulous sum of money must be spent by the British public on this increasingly popular form of sport. How much that may be in the aggregate, it is, of course, impossible to say without some—it will be admitted—safe basis of calculation which it is not easy to obtain. Probably (it will be admitted) too much money is being spent upon the game, even from the spectacular point of view; but there can be no question of the fact that, since football as now played has caught on with the masses, it has diverted, and is every day diverting, to its own special interests, vast sums of money, individually

small, perhaps, but totally running into figures that are simply prodigious.

Is there not a danger ahead here to the progress of national thrift, not to speak of other matters touching, more or less, the national life and character at the very roots thereof ? Acknowledging that there is a thrift in spending as well as in saving money, and that its free circulation is productive of numerous industrial benefits which, in their turn, give a fillip to the commercial enterprise of the nation, it is impossible to get away from the feeling that in the pronounced spending proclivity of our day and generation in the sphere indicated, the thrift agencies now in operation will soon have more than ever to do to hold their own in this country. From the figures quoted in the previous article as showing the sum totals of the thrift accumulations of a century, it might be argued that it is just because so much money has been saved by the industrial classes that they can afford to spend it freely in amusements, etc. Here, too, the test of experience will have to be waited for. National movements, in their progress or otherwise, cannot be gauged rightly by the time-measurement of a decade or two ; nor would it be safe to say of them that the span of a jubilee or century of experience is enough to determine their period of duration and utility of their service to mankind. The point is, once a great popular movement, like that of thrift, has been found to become an integral and vital part of the nation's very life, to beware of anything that threatens its healthy continuance ; and if the ratio of spending money on amusements and luxuries exceeds the ratio of saving money, a danger to the cause of national thrift is readily to be apprehended. I know that this is no place for a ' preachment,' but as this matter is one of prime importance to many thousands of persons, I simply discharge my duty and relieve my conscience by thus calling attention to it.

Last, but not least, there is the influence of a much misunderstood meaning of Socialism (so-called) on large sections of the industrial classes of the people. Here, also, we have a powerful factor at work making (or unmaking) the history of national thrift, and, it is to be feared, not adding 'a graceful page' thereto. Socialism and Savings Banks! the two are impossible. There are something like twenty million persons of all ages connected with one or other of the many thrift associations of the United Kingdom, and I would be astonished, if it could be ascertained with certainty, to be told that more than one thousand of these were self-styled Socialists—that is to say, persons who want their 'share of everything for nothing, for the good of all.' There have been many definitions of the much misunderstood word Socialism, the result being a general confusion among the masses of its true significance and meaning. Here is a new and original definition, set forth for the first time in simple print: 'A Socialist is a person who has no Savings Bank account, but would like one gifted, say by the State!' That 's what it all amounts to, for, were it possible to obtain a classification of the depositors in all Savings Banks according to their Socialistic or non-Socialistic principles, the result would be astonishing, in so far as the former most probably would be found to be in a pitiful minority. And yet the dissemination of Socialistic ideas, false or true, especially the former, is sure to act, wherever it reaches, as a deterrent to practical thrift in the individual, and also to have some influence in retarding its national progress towards that still wider and larger scope, which is so desirable for the best interests, not only of our nation, but of our Empire. For, consider it how we may, and from almost any point of view, it is impossible to ignore the truth, which a very great and cosmopolitan-minded man apprehended three hundred years ago, that indeed, 'Thrift is blessing.'

And in the magnificent bequest which the world enjoys to-day in the works of Shakespeare—the outcome of his own sane and happy philosophy of life, with its simple system of prudence, self-reliance, and forethought in ordinary things—the force and permanence of that truth was never made more manifest in the history of the British people.

The CHAIRMAN.—There is also a highly important paper by Mr. Gunnison, Trustee of the Williamsburgh Savings Bank, Brooklyn, New York, which time does not allow of reading, but which will appear in print.

Mr. GUNNISON'S paper is as follows :—

THRIFT IN THE UNITED STATES

Fifty-seven years ago this month a young Scottish boy, with his parents, left his native town, Kelso, and journeyed to America, the trip across the Atlantic taking forty-nine days. He soon went to work, and the first money earned which he could spare, he deposited in the Williamsburgh Savings Bank, located in a city across the river from New York city. He prospered in business, served his country faithfully during the Civil War, commanding a regiment of Scotsmen, became prominent in the business, financial, political, and social life of the community in which he lived. For many years he has been a trustee in the Bank in which he made his first deposit—an institution established in 1851, which now has over 100,000 depositors, and over $53,000,000 in deposits, on which is paid 4 per cent. annually, and a surplus of over $7,000,000, equal to 13⅛ per cent., making it one of the strongest Savings Banks in America; and as one of its Vice-Presidents, together with the Cashier, also of Scottish descent, and another Vice-President, and the speaker, a trustee, are here to-day upon your kind invitation as delegates from this institution to take part in this celebration of the founding of the first Savings Bank in the English-

speaking world, we bring the heartiest greetings from the institution which we represent, and personally wish to express our gratification that we are permitted to share in the pleasures and experiences of this occasion.

I have referred to the above incident without the consent of my associate, Colonel Baird, that I might the more vividly tell you of the debt which the United States owes to Great Britain for the influence in the new country of the Savings Bank movement, started in this city one hundred years ago, and also to pay just a word of honest tribute to those sturdy men who came from Scotland to America, and who have been leaders in every good cause—shrewd men, able men, far-sighted men, and, above all, men of character. So, with this word of cordial greeting, of appreciation, and of tribute, I ask your attention briefly to a description of the thrift movement in the United States.

I was asked to make a comparison of the American Savings Banks and their methods with those of Great Britain, but as my knowledge of the latter is so limited, I shall content myself with treatment only of our own institutions.

Although transportation was slow and infrequent, and means of communication sadly inadequate, compared with to-day, it did not take long for the men of America to learn of the practical idea of the Rev. Henry Duncan, which was set in motion a century ago. The suggestions of Daniel Defoe and other writers to help people to save, and society to protect, were known, but something concrete was necessary to stir to action those who were anxious to help their fellow-men, and to better conditions among the poor. In six years the seed planted here was transplanted in America.

There are three Savings Banks in the United States which claim to be the oldest—one in New York, one in Boston, and one in Philadelphia. One Bank held its regular meeting first, one was chartered first, and the other began business

first. The Philadelphia Savings Fund Society was organised by twenty-five people, who subscribed $10 each, as a voluntary association, in 1816, and was incorporated 25th February 1819. An Act to incorporate the Provident Institution for Savings in the town of Boston was approved 13th December 1816. This was the first public Act of legislation in the world, which recognised the beneficent character of Savings Banks, and invested them with the sanction and protection of law. On 29th November 1816, a meeting of prominent citizens was held in New York city, for the purpose of establishing a Savings Bank. A constitution was adopted, and officers elected on 17th December 1816. A memorial to incorporate the Savings Bank of the city of New York failed of passage in the State legislature. There were many benevolent societies at this time, but the principles of Savings Banks were not generally understood, and there was a sentiment against further incorporations of Banks. Among these organisations was the Society of Tammany—now known as one of our strongest political bodies, which was originally incorporated 'for the purpose of affording relief to the indigent and distressed.' Again, in 1817, there was another meeting of philanthropic citizens to unite in a 'society for the Prevention of Pauperism'; and finally, on 26th March 1819, 'The Bank for Savings in the city of New York' was incorporated. The movement advanced quite rapidly in the eastern States, and to-day the systems to promote thrift and saving among the American people have been brought to a high degree of development. Our Savings Bank system proper has been so extended by other co-related agencies that nowhere in our broad land is any one denied the opportunity to accumulate a nest-egg fortune.

Our Savings Banks are chartered by the States in which they are located, and the laws in each regulating these Banks

are different. There are two kinds of Savings Banks—the Mutual Banks, which are purely beneficial institutions, managed by trustees who receive no fees, nor can they borrow from the Bank or benefit in any financial way; and there are Stock Savings Banks, where stockholders may receive dividends, and trustees paid for their services.

There are to-day 1703 Savings Banks in the United States, of which 642 are Mutual Banks and 1061 Stock Banks. In the New England and eastern States the Banks are mutual, and over 80 per cent. of the deposits of all Savings Banks are in these States ; one-third of all deposits are in New York State, and one-fifth in Massachusetts. There is a sentiment in the west, principally, that interested beneficence is better than disinterested beneficence; that capitalised Savings Banks are safer than those managed by trustees where no financial interest is at stake. However convincing this statement may appear, the facts are that the largest and strongest Banks in America have been conducted on the line of disinterested beneficence by some of the best and noblest men in the communities, men who have performed their duties with as much care and sympathetic interest as they would their own private business. With us it is considered a high honour to be trustee of a Savings Bank.

The Savings Bank laws in most of the States are very rigid, and place every possible safeguard to protect the interests of the depositors. The laws of New York and Massachusetts are regarded as models. In these States 65 per cent. of the funds of a Savings Bank may be invested on bond and mortgage on real estate, and the other funds in Government, State, and municipal bonds—under certain restrictions—and in certain carefully selected railroad bonds when approved by the legislatures of the States. Individual deposits are limited to $3000. The trustees may

fix the rate of interest to be paid on deposits, but when the surplus shall exceed 15 per cent. of the total deposits, extra dividends shall be declared. In other words, all money over 15 per cent. surplus must go to the depositors.

In the 1703 Savings Banks there are 8,831,863 individual depositors, with a total deposit of $3,713,405,709. These are figures of the year 1908.

So much for the Savings Banks: but that you may have some adequate idea of the thrift movement in the United States, I must go further. It is estimated that the aggregate savings in Banks in the United States is nearly six billions of dollars, a sum more than one-third of the entire estimated savings of the world.

Our cities have grown rapidly, our great transcontinental railway systems have linked every section of our country into one homogeneous whole, our highways and waterways have been improved, and those vast undertakings have been carried on largely with the savings of our people. To account for this large sum of money, I quote from the recent report of our National Monetary Commission, which states that there are in America to-day 14,894,696 savings depositors, with $5,000,678,359 to their credit. That the average deposit per capita of our population is $64.03, as compared with $11.89 for the rest of the world. Our fifteen million depositors are 16·10 per cent. of our total population, and each depositor has to his credit an average of $381.28, and one person in six of our inhabitants has a savings account.

Let me make clear that this money is not all in Savings Banks. There are many States in which there are no Savings Banks. We have National Banks chartered by the Federal Government, and State Banks, and Trust Companies, with charters granted by the several States.

Communities must have Commercial Banks, either State or National. The people in the western portion of our

country have been so busily engaged in the developing of their resources, that they did not have much time in which to consider philanthropic questions, and, except in the larger cities, no Savings Banks were started, but the need for saving existed, and it was met by the Commercial Banks. It was never contemplated that these institutions should conduct a Savings Bank, but it was an easy matter when the demand came, to pay interest on certain deposits, and thus naturally savings departments became established and recognised as such. The security for such deposits was not the best, as all the funds of the Bank were kept together. To-day, in eight of our States, laws have been enacted, requiring all funds in those savings departments to be segregated from the current funds, and to be invested under similar conditions—though not as rigid—as required in Savings Banks. It is probable that in a few years all States will require the segregation of savings funds in Banks of discount. There are 2000 National Banks with savings departments, and about 12,000 State Banks and Trust Companies, with a total of savings deposits of $1,965,329,670, as against the $3,715,405,709 on deposit in the regular Savings Banks.

But this is not the whole story. We should add to this 5454 Building and Loan Associations, which have been a great help to thrift, with 1,876,967 members and accumulations of $745,993,398; and to this should be added 827 Life Insurance Companies, which are among the best kind of savings institutions, having 33,186,420 policies in force, assuring $22,998,969,881, with assets of $3,159,581,074. These figures added together bring our grand total of savings in America to approximately $9,500,000,000. This is a sum more than three times the amount of money in circulation in the United States. On the basis of eighty millions of population, our total savings would give $118 to every man, woman, and child in the country.

For the past forty years the Postmaster-Generals of our country, of both political parties, have recommended the Postal savings system. This proposition is now squarely before the people, a Bill having already passed the United States Senate. Undoubtedly there is a widespread demand in all parts of the country for such a system. First, because it would place a savings depository in forty thousand communities, thus reaching practically all the people; and second, it would be absolutely safe, because Uncle Sam would be behind the system.

The bankers throughout the country are strongly opposed to the proposed Postal Banks. Among the many reasons are—that the Government ought not to go into the banking business; that it should not interfere with private enterprise; that the relation in office and our recurrent change in National Government every four years would render the conduct of a Postal savings system extremely hazardous; that the established Banks would suffer; that while provision for safe and convenient depositories for money is necessary, it is not the only function of banking, the other and more important half, the putting of deposits back into circulation in the localities where they are drawn; that funds would go to large commercial centres, thereby interfering with local development, and in time of stress the Government depositories, with its greater security, would take deposits from the Banks. The plan is to pay 2 per cent. on all money deposited with the Government, and no accounts to exceed $500. The banks in which the Government would deposit these funds would pay 2½ per cent., and put up bonds for security.

We who are connected with Savings Banks in America have learned that the essential condition of a Savings Bank—without which it is something else, and not a Savings Bank—is in all things security, and also that Savings Bank

MEDAL IN HONOUR OF THE CENTENARY
PRESENTED BY THE DIRECTORS OF THE
PARIS SAVINGS BANK

REVERSE SIDE

deposits are a trust to be administered, not a debt to be paid. Each implies an obligation, but the obligation of a trust is greater than of a debt.

We want to join with you, and with all those who are interested in this work, in gathering inspiration from this meeting, experience from the history of the century past, and knowledge that will help us to make the Savings Banks of the world safe and profitable depositories for all those who come within their beneficent and helpful influence.

VOTES OF THANKS

The CHAIRMAN.—There is one more thing to do. This meeting being the wind up of the whole proceedings, I should add one more expression to the very many expressions of appreciation that Mr. Cargill has received for the great care he has bestowed, and the exertions he has put out in providing for the pleasure and comfort of the delegates from all parts of this great Empire. (*Applause.*)

The CHAIRMAN.—My final duty is to convey to Sir Albert Rollit the thanks of this Conference that has now been closed. It has been an epoch-making event, and it is to be hoped its fruits will be substantial and lasting.

Mr. ROBERT CORBET, Glasgow, moving a vote of thanks to the Chairman, said they knew his work on from 1891 till now. Sometimes Mr. Cameron rubbed them the wrong way for good, but they respected him, for he did good work. They were delighted to have Sir Albert Rollit, and what better man could they have in his absence than the Secretary of the Inspection Committee. (*Applause.*)

The CHAIRMAN.—Gentlemen, I really think you put me at too high value. I am paid to do my duty, and there is no great merit in doing one's duty. But being brought in contact with gentlemen from all parts of the kingdom, it

is really no criticism to say that there is a reward over and above that provided by the Government for my poor services, namely, feeling I have so many friends all over the country who are engaged like myself trying to do their best in this great work of attempting to better the condition of the poor in our own respective localities. (*Loud applause.*)

The proceedings then terminated.

SIC VOS VOBIS
QUELQU'UN VOUS DIT QUE VOUS POUVEZ VOUS
ENRICHIR AUTREMENT QUE PAR LE TRAVAIL
ET L'ÉCONOMIE NE L'ÉCOUTEZ PAS
C'EST UN EMPOISONNEUR

MEDAL IN HONOUR OF THE CENTENARY
PRESENTED BY THE DIRECTORS OF THE
SAVINGS BANK
LYONS, FRANCE

REVERSE SIDE

AN ADDRESS[1]

ON

THRIFT

BY

THE EARL OF ROSEBERY, K.G.

DELIVERED AT THE ANNUAL MEETING OF THE EDINBURGH SAVINGS BANK ON 28TH DECEMBER 1908

LORD ROSEBERY, who was received with much applause, moved: 'That the Annual Report of the Bank now submitted be approved of, and that it be remitted to the Committee of Management to publish the same for the information of depositors; and that the Committee be cordially thanked for their services during the year.' He said:

I have great pleasure in moving the adoption of this Report, all the more as it marks an unprecedented occurrence in my own life, which is that, reversing a process by which the son is supposed to walk in the footsteps of the father, I am to-day walking in the footsteps of my son, who, I believe, moved this resolution last year. (*Laughter.*) I hope I may be able to speak as persuasively about thrift

[1] As many of the Delegates who attended the Centenary Celebrations had hoped that Lord Rosebery would be present at the Banquet in the Music Hall and speak on the subject of 'Thrift,' a desire has been expressed that, since his Lordship was unable to be present, his eloquent address at the above meeting might be reprinted here. The Editor, therefore, has the greatest pleasure in complying with this request, especially as the Address, which created world-wide interest at the time it was delivered, is thus presented in a permanent form.

as he did on that occasion. (*Laughter.*) My Lord Provost, I think we must all feel that this is an eminently satisfactory Report. The deposits have increased over a million in the last ten years, and we are now, as Mr. Wood has just told us, second only to Glasgow in the amount of the deposits lodged with the Government. Well, there is a traditional jealousy between Edinburgh and Glasgow, which I sometimes think is exaggerated (*Hear, hear*), but at any rate we are quite satisfied to be second to Glasgow on this occasion, because we must remember that if Glasgow has saved more than we have, Glasgow has a great deal more to save from than we have. (*Hear, hear.*) But even if we are satisfied with ourselves, I am not sure that we figure quite favourably in regard to other nations as regards the proportion of depositors to population. I see from the returns that Sweden, and Norway, and France, and Belgium, and Germany all exceed us in that proportion, and I think that we ought not to be satisfied as a country until we stand with that little but robust country of Norway, which stands at the head of the list. (*Applause.*)

Now, sir, you have expressed a doubt as to whether the new provision for Old Age Pensions is likely to promote thrift in the community. I am not going to follow you on that burning and hazardous ground which approaches too near to party politics for an occasion of this kind, but after all some of the anomalies might almost point to the fact that the encouragement of thrift in the sense of accumulation is one of the objects of the Old Age Pension scheme, because when you see that those who have saved £800 or even £1000 are rewarded by receiving an Old Age Pension of 5s. a week, no one can feel that the whole scope of this scheme is the discouragement of thrift. (*Laughter and Applause.*) Some people, according to their party, call it a wasteful experiment, and some call it a wise and far-reaching experi-

ment. I shall not take either side, but shall content myself with saying that it is experimental in its nature, and that we shall have to wait some little time before we can pronounce confidently on its operation.

Now, on these occasions the mover of the Report, as I observe my son did last year, is expected to say a few words upon thrift. Thrift is one of these virtues which are perhaps more than we think much easier to preach than to practice; and to a Scottish audience, our reputation in the world being what it is, it would seem almost like carrying coals to Newcastle to advocate thrift in any shape or form. Well, I will content myself with repeating, in the words of Shakespeare, what comprehends, after all, the whole root of the matter, that thrift is blessing, not merely because of the accumulation of substance, but because of the foundation and strengthening of character. (*Hear, hear.*) Now, as regards the financial aspect, I am not anxious to say a great deal on this occasion. From the financial point of view, my definition of thrift would be this—getting full value for your money and looking ahead. Of course, the historic definition which has given so much comfort and encouragement to thousands is that of Mr. Micawber in *David Copperfield*. I copied out the words last night that I might be perfectly certain that I should have them right this morning, with the disastrous result that I got so interested in *David Copperfield* that I found it difficult to return to the consideration of thrift. (*Laughter and Applause.*) What did Mr. Micawber say to David Copperfield on a famous occasion? '*Annual income*, £20; *annual expenditure*, £19, 19s. 6d.—*result, happiness. Annual income*, £20; *annual expenditure*, £20, os. 6d.—*result, misery.*' (*Laughter.*) Well, I suppose that is practically true. It means in reality that a man who is beforehand with the world to even a small degree occupies a very different position relatively to the rest of

the world than the man who is behindhand with it to as small an extent. Of course, on the financial view of thrift we know it is the foundation of all prosperity, even of those colossal fortunes which we hear of in America, but which we never realise in this country. (*Laughter.*) It is perfectly true, I think, that Mr. Andrew Carnegie, who began in the very humblest situation in life in the town of Dunfermline, has worked his way up to a colossal fortune which I cannot even attempt to estimate, but which I know, from the beneficent expenditure, that it must be enormous, mainly by a beginning of thrift. This morning, in the newspapers, we had another example of a lad who landed in South Carolina sixty-three years ago with 12s. in his pocket, and died worth ten millions sterling yesterday. I do not mean to argue—I am not such a fool as to argue—that it was by mere thrift that these colossal fortunes have been accumulated ; but I am here to argue my profound faith that they were in the commencement founded on thrift, and on nothing but thrift (*Hear, hear*), and that when by thrift a small but substantial sum was accumulated, it was so utilised by the genius of speculation as to amount to these enormous fortunes.

Now, I want to make an exception before I go any further. Whatever thrift is, it is not avarice. There is a broad distinction between thrift and avarice. Mr. Micawber in his definition expressly, as it seems to me, excludes avarice, because the accumulation of sixpence at the end of the year, which he indicates as amounting to happiness, would certainly not satisfy any dream of avarice. But avarice is not generous ; and, after all, it is the thrifty people who are generous. (*Applause.*) All true generosity can only proceed from thrift, because it is no generosity to give money which does not belong to you, as is the case with the unthrifty. And I venture to say that all the great philanthropists, all the great financial benefactors of their species

of whom we have any record, the most generous of all must have been thrifty men. (*Applause.*) Well, now, I pass from the financial value of thrift, which to me is not the greatest, to that which results in the formation of character. I know that many people when they read speeches about thrift say, 'How can the poor be thrifty? They have nothing to be thrifty upon.' But, now, the exact reverse of the case is the truth. Strangely enough, in your Report which you have just read, and which is before us to-day, we have the proof of the contrary. By the experience of Edinburgh, and by the experience of Glasgow, and by the experience of Manchester—I think these are the cases you mention, Mr. Wood—it has been found that periods of stress and not periods of prosperity are the most favourable to thrift, as shown in the deposits in the Savings Bank. But the case of Scotland, our own country, is a much more emphatic illustration of this than any particular Savings Bank in however large a town it may be situated. In Scotland the eighteenth century, the time of perhaps her direst poverty, at any rate as compared with other countries in the world, was the period of our greatest thrift. A hundred and twenty years ago there were probably not more than two or three hundred thousand pounds of current coin in the whole of Scotland; and when you compare that with the fourteen millions of deposits in the two Savings Banks of Edinburgh and Glasgow you may arrive at some computation of what the difference of prosperity is between the Scotland of to-day and the Scotland of that day. But that was the time of Scotland's greatest thrift, this time when her whole current coinage did not amount, as it is calculated, to £300,000—so much so that in these days we read that the one great object of a Scottish peasant was thrift, not for the sake of livelihood, but for the sake of his funeral (*Laughter*), to amass enough money to obtain a decent

funeral, which was calculated at, I think, about £2. This patient and self-denying people amassed enough for what, after all, is the most insignificant event in our life—toiled and spun and spared themselves for that purpose. Much more than that, they maintained their own aged, their own parents, their own relations. They thought it a shame to take any money from the public or the State. (*Applause.*) They had a spirit of independence, which is at least equal to any spirit of independence which we boast of now. They scorned to take assistance, they scorned that any should maintain their families but themselves. They gave a little surplus in charity, for there were plenty of recipients in the beggars and tinkers on the road. But the nation at large was thrifty, independent, self-respecting to a degree perhaps known in no other nation at no other period in the world. (*Applause.*) Why, sir, when things were in this impoverished state in Scotland the Scottish people were a source of terror to their southern country. Only yesterday I lit upon a caricature, an English caricature, I need hardly say, of the date of 1780—you see, ten years after the time I am speaking of, when the current coin was so small in number. It represents a Scotsman only half clad—the caricature is quite decorous (*Laughter*)—with his shoes on his one shoulder, and an essential part of his dress on the other (*Laughter*), barefooted, on his way to England. And underneath it is written—

> 'Tho' Sawney's breeks are on his shoulders,
> So plainly seen by all beholders,
> Half-starved, half-naked, but one shoe,
> Yet, by and by, he 'll ride o'er you.' (*Laughter.*)

Yes, our great-grandfathers—my great-grandfather, at any rate, was living at that time, and in possession of his estate—our great-grandfathers did great things in those days on a mess of pottage. They had no more. But with it

they helped to mould the Empire. They maintained their poor without legal compulsion. They sought nothing from external help, and they laid in their nakedness and their barrenness the foundations of the prosperity which reigns in Scotland at the present moment. (*Applause.*) I would not care to live—we none of us would care to live—as they did. Some of the poorest in our country would shrink from the manner of life which was endured by some of the noblest in these days. We should not care to share their privations ; but we should not be unwilling to be convinced that we possess their independence, their self-reliance, and their self-respect. (*Applause.*) And, my Lord Provost, I regard that as the greatest blessing resulting out of thrift—independence of character. Whether Scottish pride arises out of Scottish thrift, or whether Scottish thrift arises out of Scottish pride, I really cannot decide, but they are closely intertwined, so closely that you cannot perhaps separate them, but at any rate the combination produces the character which has governed the country. (*Applause.*) When we talk of thrift producing character, we are at a loss to know whether it is not thrift that is a sign of character. Thrift means care, foresight, tenderness for those dependent on you. Whether these qualities produce thrift, or whether they are produced by thrift, I will not venture to say ; but, at any rate, of this I am certain, that they are inseparably intertwined. You remember what the last words were of Oliver Goldsmith, one of the greatest geniuses that ever lived in this island. You remember he wrote *The Vicar of Wakefield*, if I remember aright—that masterpiece which has survived so many masterpieces—to pay off a creditor, his landlady or another, and he was always in financial difficulties, and when he lay dying, some one said to him, 'Is your mind at ease?' and he replied, 'No, it is not.' These were his last recorded words. You may be sure that

if he had united genius to thrift, his last words would have been something very different. But, ladies and gentlemen, I said a moment ago it was a question, rather, how can the poor be thrifty? Well, I will not go into that question, except to say that, as I think I have demonstrated, it has been in the power of the poorest to be thrifty in our country in the past.

But there is, at any rate, one sort of thrift which is in the power of the very poorest, and which is to refrain from waste. If I wanted to train up a child to be thrifty, as I have apparently trained my eldest son (*Laughter*), I should teach him to abhor waste. I do not mean the waste of money. That cures itself, because very soon there is no money to waste. But I mean waste of material, waste of something which is useful, which may not represent any money value to the waster. There is waste of what does not belong to us, which is a very common form of waste. There is waste of water. Indeed, Edinburgh ought to know something about the waste of water. I am not speaking of the waste caused by the pollution of our rivers, though that, perhaps, is the most criminal form of waste that exists in our midst. There is not a river that flows round Edinburgh, there is not a river that flows through Midlothian, that is not hopelessly polluted, and wantonly polluted, so that it cannot be used for any cleanly purpose. I am not speaking of the waste of water in that way, but the waste in private families, among individuals, who waste that precious element which compels Edinburgh to go seeking every twenty years or so for a new source of supply. I remember being a member of a small municipality in the south of England when this question of waste came before us. We found that water was allowed to run, and that every form of waste was indulged in, because it cost nothing; and so the result was a water famine when summer came

on. Again, let us take the waste of gas and things of that kind. I believe Edinburgh Town Council has recently adopted a stringent measure for the prevention of the waste of gas, but I am not a resident in the city, and so I have not experienced its rigour; but, at any rate, we all of us must see that there is a constant waste of things which cost nothing to waste, but which are in reality an offence against ourselves and against the economy of the whole world.

Now, ladies and gentlemen, if you wish your children to be thrifty, I would beg of you to impress upon them the criminality of waste. (*Applause.*) What is the example we learn from great men in this respect? I take three foremost men of their countries in the last century. I take Washington, Frederick the Great, and Napoleon—Washington, a thrifty man of business as ever lived; Frederick the Great, more than thrifty; Napoleon, thrifty in detail to the utmost possible extent. And then I take three other names, three names familiar to Scotsmen—three names of great Scotsmen—and there I find more difficulty. I take Burns, and Walter Scott, and Gladstone. Of course, the toughest nut to crack is Burns. We worshippers of Burns are not accustomed to think of him as thrifty, and, undoubtedly, from some points of view he was not thrifty, though he had uncommonly little to be thrifty upon. But no one could see the enormous output of work that Burns did without seeing that he must have had a great thrift of time, which is perhaps the most important form in which we can be thrifty. But I will abandon Burns as a difficult subject. (*Laughter.*) Walter Scott, as we know, died ruined. But Walter Scott was eminently thrifty. The trouble of Walter Scott was that he was ambitious, and endeavoured to found too large a structure on his labour and his thrift, went into business which he did not understand, and, therefore, the whole structure toppled over.

Now, of Mr. Gladstone I can speak with personal knowledge. There was no man so careful and thrifty in his expenditure, combined with great generosity and great liberality. (*Applause.*) No one who ever saw that great man at work could believe that it was anything but a sin to waste anything, more especially time. (*Applause.*)

I do not want to detain you too long, but I want to take you to a larger sphere of thrift, and that, after all, is the main point on which I want to insist to-day. All great empires have been thrifty. Take the Roman Empire, which in some respects, as a central empire, was the greatest in history, which lay like an iron clamp on the face of the world. That was founded on thrift. When it ceased to be thrifty it degenerated and came to an end. Take the case of Prussia, which began with a little narrow spit of sand in the north of Europe, ' all sting,' as some one said, referring to its shape and the fact that almost all its inhabitants were armed men. It began with a narrow spit of sand. It was nurtured by the thrift of Frederick the Great's father, who prepared a vast treasure and a vast army by economy, which we would call sordid; but it was the weapon by which the greatness of Prussia was founded, from which the present German Empire has arisen. Take the case of France. In my humble belief, France, in spite of the quotation I made at the beginning of my speech, is in reality the most frugal of all nations. I am not sure that the French always put their money into Savings Banks, and therefore they do not figure so well in the proportion of depositors to the nation as some others may do ; but after the disastrous war of 1870, when France was crushed for the time by a foreign enemy, and by a money imposition which it seemed almost impossible that any nation could pay, what happened ? The stockings of the French peasantry, in which they had kept the savings of years, were emptied into the

chest of the State, and that huge indemnity and that war expense were paid off in a time incredibly short. The other two nations I have spoken of were made by their thrift ; and France was saved by her thrift. (*Applause.*)

Now we come to our own beloved country. What have we to say of her in the way of thrift ? We have a financier who is a member of Parliament here present, Sir George M'Crae, who would give us more enlightenment on that point than I could, because I sit in a House which is privileged only to pay the taxes and not to vote them. (*Laughter.*) But I am bound to say that, speaking from that external point of view, I am not quite sure that thrift is a governing consideration of our Parliament at this moment. There used to be a very considerable man, who was mocked at in his time—he was a prophet, though a minor prophet—I mean Joseph Hume. He was a very severe and rigid economist, who was a dread to all persons who were guilty of anything like extravagance in the public service. Joseph Hume was so minor a prophet that he does not seem to have left a mantle behind him ; at any rate, no portion of its texture has fallen, I am sorry to say, on any present member of the House of Commons. (*Laughter.*) So much so, to such a degree, has the absence of thrift proceeded, that it is now a subject of joy to economists that the votes are passed under the guillotine, because when any vote comes up for discussion there is no question of its diminution, but a hundred voices for its increase ; and therefore, although I know politicians are apt to complain of so many votes and so much expenditure being passed under the rigid rule of silence imposed by the guillotine, the economist secretly rejoices that such is the case. I cannot embark upon that topic to-day. Indeed, I have embarked upon enough topics already, but I do think it is serious for those who have the governance of our affairs to remember that great nations and great empires

only live so long as they are thrifty; that the moment they begin to waste or disperse their resources the day of their end is at hand. That is a fact abundantly proved in history, proved up to the hilt, I think, by two of the examples I have given you, and though I do not pretend to preach thrift from any exalted standpoint, I do beg those who are here present and those outside these walls whom my words may reach to remember that thrift is the surest and the strongest foundation of an empire—so sure, so strong, and so necessary that no great empire can long exist that disregards it. (*Loud applause.*)

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